

# The Political Forum

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

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## THEY SAID IT

“I do not say that we ought to prefer the happiness of one particular society to the happiness of mankind; but I say that, by exerting ourselves to promote the happiness of the society with which we are best acquainted, we shall do more to promote the happiness of mankind than by busying ourselves about matters which we do not fully understand, and cannot efficiently control.”

- Thomas Macaulay, speaking in the House of Commons in 1845.

**GREAT EXPECTATIONS.** I have been a paid observer of events in Washington in one capacity or another since October 1963. During this time I have had the good fortune to meet and become friends with many intelligent and interesting men and women who were and are involved in formulating the public policy of this nation. But I have never become active in the process itself, believing it best to follow the old saw about not mixing business with pain.

Lately however, when doing my chores around the farm, I find myself ruminating on what advice I would give a president if I could have his or her ear for a few seconds. And while I haven't boiled it all down into one word, as in “plastics,” I have reduced it to two, which are as follows: “Manage expectations.” At another time, during another presidency, I might have chosen some other, more colorful phrase, such as “Keep your pants up,” or “Don't lie under oath.” But at the moment, the president who occupies my thoughts is George W. Bush. Hence, the simple, two word admonition concerning expectations.

Why, I wonder as I consider this, did he and his people promise so much, so early in Iraq? Flowers and huzzahs from the Iraqi people? Peace? Democracy? Why didn't he just say that the United States would kill the SOB and clean out the nest of thugs whom the United Nations on numerous occasions had cited as a threat to world peace? Why didn't he announce that the military action would take a long time and be highly dangerous, that many lives would be lost, that setbacks would be suffered, that post-Saddam Iraq was likely to be unruly for a very long time, and that the venture was a huge gamble, which could conceivably go very wrong? Then, if things went poorly, he could say, “I told you it would be difficult.” And if things went well, he could take credit for doing better than anyone had anticipated.

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I don't pretend to be an expert on the Middle East or on Islam. Lord knows we have enough of them around these days. But even I knew, well before the hostilities began, that the most anyone could reasonably expect in the immediate aftermath of the war was that the United States would replace a murderous tyrant, who had continuously worked against U.S. interests in the Middle East, with a government that is somewhat less brutal and putatively friendly toward America.

I made my initial prediction in this regard in April last year in an article entitled "Our Despot Instead of Theirs." I summed up my expectations a few months later in a piece entitled "Over The Edge With Condi," which was written in response to an effusive flow of flowery language from the National Security Adviser outlining a "long-term strategy in which the United States would spread its values through Iraq and the Middle East much as it transformed Europe in the second half of the 20<sup>th</sup> century, etc., etc., etc., blah, blah, blah . . ." I put it thusly.

Until last week [when Condi outlined the administration's grandiose vision for Iraq and the Middle East], I believed that when President Bush said that the United States would "remain in Iraq as long as necessary and not a day more," he was reflecting a preference for the good over the perfect. To put this another way, I believed that the administration's goal in Iraq was to put a pro-American strong man in charge, help him establish an army and a police force that was strong enough to keep him in charge; and get the hell out of there and let "our tyrant" do what he had to do to keep order. I thought that Egypt was a practical prototype.

I assumed that the United States would, before it left Iraq, destroy its ability to reconstitute an offensive weapons program featuring WMDs, establish a network of well paid informants throughout the country, and set up some small bases that could be used to help "friendly forces" continue the "war against terror" in neighboring Iran and Syria.

As for the Iraqis, my view was that America's exit from Iraq would leave them better off than they were when Saddam and his lunatic kids ran the show, and give them a chance to reconcile the religious and tribal hatreds that have haunted their nation for decades without U.S. interference . . .

Time will tell whether Condi's "vision" or mine will prove more prescient. In the meantime, I would argue that recent events in Iraq look much better, both politically and practically, when measured against my forecast than they do against the Bush team's.

But my opening admonition that it is crucial for presidents to manage expectations wasn't focused exclusively on White House techniques for shaping public attitudes in anticipation of disappointing developments. I was also referring to my belief that it is even more important for presidents to manage *their own* expectations by recognizing the limitations of what individuals, armies, and governments can accomplish and by governing themselves accordingly.

Now, I would certainly not advise a president against pursuing ambitious goals and using inspirational rhetoric to win support for such goals. Nor would I suggest that a President ignore America's special obligation, as the world's most powerful nation, to provide succor to other nations and peoples and to respond forcefully to acts of aggression against friendly states.

I would, however, advise presidents to be careful to seek a prudent balance between what they expect to accomplish during their tenure as “the most powerful leader of the most powerful nation in the world” and the realities of what any individual or any nation, no matter how powerful, can reasonably expect to achieve in this imperfect world.

While I do not profess to be a “student of history,” I have read my share of history books over the years and it seems to me that some of the most disastrous mistakes, both domestic and international, that have been made by America’s presidents since the founding have been the result of a failure to match their ambitions with reasonable expectations.

There appear to be two distinct motivations for these failures. The first, which is endemic to American liberalism, but not unknown among modern day conservatives, including the current President Bush, is the Rousseauian belief that man is naturally good, that the concept of original sin is bogus, that vice and error are not natural to mankind but introduced from without, mostly by bad institutions. The upshot of this idea is the belief that the cure for mankind's suffering and society's problems is to improve the institutions, i.e., government. Max Eastman once described this process as “yearning to do good and obsessed by the power of the state to do it.”

Thus, we have seen, mostly during the past forty years, the enactment of a veritable parade of highly ambitious social engineering schemes that are aimed at such noble goals as eliminating poverty, prejudice, sexual discrimination, racial injustices, and educational inequalities among children, but which have, among other things, created a vast, dysfunctional welfare system, badly weakened the traditional American family structure, decimated long-established neighborhoods, wreaked havoc on the public education system, and driven the nation deeply into debt.

The other principal motivating force behind presidential overreach is what Karl Popper once described as “the theory of the chosen people,” which involves the belief that “God has chosen one people to function as the selected instrument of His will.”

Today, the potential for this being a problem is almost exclusively confined to the Republican Party, since few if any contemporary Democrats would find it politically useful to invoke God’s name on behalf of any initiative, given the aggressively secular nature of their Party today. Yet, the concept that the destiny of the United States is divinely inspired has been a standard theme of American politicians of all parties since the founding, as well as a central factor in American foreign policy from the days of Monroe’s doctrine of manifest destiny to the present period of George Bush’s doctrine of preemption. And while some enthusiasts for the concept of America’s celestial exceptionality might maintain that in no case has this caused a problem, I think virtually all knowledgeable historians would argue otherwise, even if the examples they offer might differ among them.

The intensity of this feeling of being special in God’s eyes has waxed and waned over the years, depending upon the mood of the nation and the personality of the president. It is worth noting in this context that since the September 11 terrorist attacks, the national mood in the United States has been marked by a heightened sense of patriotism and an increase in outward manifestations of religious belief. At the same time, the president during this period has been an unusually enthusiastic advocate of the idea that America, under his guidance, is doing God’s work.

In fact, I think it is safe to say that no U.S. president has endorsed this idea so boldly since Woodrow Wilson, whose belief in the divine nature of his mission as president was so integral to his official actions that, according to author Paul Boller, Jr., Lloyd George remarked after the conclusions of the negotiations over the Versailles treaty, during which he had been flanked at the table by Wilson and Georges Clemenceau, that he had represented England's interests as well as could be expected, "seated as I was between Jesus Christ and Napoleon Bonaparte."

Now no one has yet, to my knowledge, accused George W. Bush of assuming a Christ-like demeanor. Nevertheless, he routinely maintains publicly, sometimes directly and sometimes indirectly, that his determination to, in his words, "expand the realm of human liberty" is a fulfillment of God's wishes. Indeed, when discussing this effort he often uses the phrase "we have been called upon," thereby strongly implying that the one doing the "calling" is God himself. And lest one might wonder how Bush came to understand this calling, he offers his belief that "liberty and freedom are God's gift to every man and woman who lives in this world."

Hence, my aforementioned recent ruminations on the importance of managing expectations. For, whether President Bush knows it or not, committing the United States to democratizing Iraq and then the entire Middle East, in direct response to God's wishes, as well as being God's vehicle for providing the gift of liberty and freedom to every man and woman who lives in the world is stretching his expectations a bit beyond what a reasonably prudent person might hope to accomplish, even one who is the "most powerful man in the world."

Now I could be wrong, of course, being neither a theologian nor a Biblical scholar, but I can find no evidence in either the Old or the New Testament that liberty and freedom are in fact among God's gifts to mankind, at least in the sense that George Bush seems to be using here, i.e., that everyone has a right to vote for the leader of his or her country.

Instead, my sense is that the liberty that Christ provided to mankind in fulfillment of the prophecy in Isaiah was freedom from slavery to both sin and Satan rather than from oppressive government. And there would seem to be even less evidence in scripture to believe that God has anointed the United States to take on the role of seeing to it that the citizens of other nations were ruled by one particular form of government.

Now I am not being critical of the President's public witness to his faith. As I have said many times in these pages, I find this to be both reassuring and comforting because I agree with John Adams, who observed that the American Constitution was designed only for a moral and religious people, and that it is "wholly inadequate for the government of any other." So I believe it is a good thing to have a religious president, especially today when the forces of nihilism are so dominant and aggressive within the Democratic Party and throughout the world.

Nevertheless, I believe that all presidents would be well advised to concentrate on the temporal concerns of the nation and leave to God that which is God's. It is, of course, right and proper that a president's moral and religious beliefs should inform his official actions. But for a secular leader to attempt to divine and then to carry out God's specific plan is not only theologically suspect, but in the long run, I believe it can actually weaken the practical arguments for pursuing a given course of action by instilling into the effort an unattractive sense of zealotry, by possibly

interfering with practical decision making, and by falsely fostering the belief that success is guaranteed by a greater power.

In my opinion, there is no shortage of practical, down to earth arguments that can be offered in support of America's military efforts in Iraq and Afghanistan, as well as its long-term intentions to make the region a safer place by promoting democratic principles. If these are unconvincing to the American people, then it would be wise for the president either to reconsider the entire venture or step up his efforts to convince the public that the course he is on is wise.

As for God's role in the matters of government, I would advise a president to adopt the humble attitude of Lincoln, who when asked, during the Civil War, if he believed that God was on the side of the North, replied, "I am not at all concerned about that, for I know the Lord is always on the side of the right. But it is my constant anxiety and prayer that I and this nation should be on the Lord's side."

**KERRY AND EDWARDS: A SQUANDERED OPPORTUNITY.** Both Mark and I have long assumed that Kerry's choice for a Vice Presidential candidate would be John Edwards. We have also viewed this probability as a terrible choice for Kerry's prospects in November and a good one for President Bush's.

In the week since this selection became official, I have moderated my negative views of the choice somewhat, although I still don't see this decision as the burst of inspiration that the Kerry camp and the mainstream media would have us believe it was. I now think that while the choice of Edwards will likely not prove as dismal as I was once inclined to believe it would be, it will be viewed by historians as a missed opportunity by Kerry, a candidate who will not have many such chances to change the outcome of this contest.

My major complaint against the choice of Edwards remains my belief that he will look entirely ill-equipped for the job when placed on a stage next to the current occupant of the office, Dick Cheney. For while the good folks at the Associated Press (among other places) continue to speculate that Cheney will be removed from the ticket, I consider him the best and most competent Vice President in my lifetime, which admittedly dates only to Spiro Agnew. Thus, I figure that when the two of them hit the stage together for the Vice Presidential debate this October, Cheney will easily acquit himself of the reckless charges leveled against him by the Democrats (including Edwards), will remind voters of what they found so appealing about him last time around, and will reveal Edwards to be the political neophyte he is.

Fortunately for Kerry and Edwards, that debate will be over in a matter of a couple of hours, and barring some horrible *faux pas* by either of the two men, the public will forget it ever happened almost before it is finished. In the meantime, I have come to believe that Edwards' spot on the ticket will, on balance, be a net positive, though only marginally so and certainly will not be positive enough to throw the contest to Kerry.

Perhaps the most important asset that Edwards brings to the Kerry campaign is money – loads and loads of money. It is no mere coincidence that Kerry started to raise cash hand-over-fist just as soon as John Edwards conceded defeat to his fellow Senator. Edwards had built an

immensely lucrative base of trial lawyer donors and fundraisers, who, at his behest, went to work raising funds for Kerry as soon as it became clear that Kerry would be the nominee.

Trial lawyer money has been increasingly important in sustaining the Democratic Party over the last several years, and as of last Tuesday, the plaintiff's bar officially replaced organized labor as the single most important fund-raising pressure group within the party. What John Edwards' selection means is that Democrats appear finally to have come to the same conclusion about the long-term relevance of the labor movement as their Republican counterparts did long ago.

For several years, Republicans have understood that labor is a fading force in American politics, with private sector union rolls falling steadily over time and union leadership increasingly politically estranged from rank-and-file members. Democrats have, however, persisted in believing that labor is as potent as ever, until now, that is. Given the selection of Edwards over labor favorite Dick Gephardt, it appears that the Democrats, or at least John Kerry, have decided that their long-term prospects depend more on trial lawyer money than labor money.

That said, the financial impact of having a prominent trial lawyer on the ticket is something of a double-edged sword for Democrats. Though Republicans will, I believe, be largely unsuccessful in their all-but-guaranteed attempts to paint Edwards as a sinister ambulance chaser, adding him to the ticket will not come without cost to the Democrats. Large constituencies within the business and medical communities that might otherwise have remained on the sidelines during this election have been animated to work hard on President Bush's behalf, both in raising money and in generating support.

Last week, the National Association of Manufacturers (NAM), the National Federation of Independent Business, and the U.S. Chamber of Commerce all declared their vehement opposition to Senator Edwards and to the business-killing legal interests he can be seen as representing. Tom Donohue, head of the Chamber of Commerce, even went so far as to declare that his organization would shelve its traditional presidential contest neutrality to work aggressively against the Kerry-Edwards ticket. According to *The Wall Street Journal's* Alan Murray, Donohue has said that he will "get the best people and the greatest assets we can rally" to defeat Kerry and Edwards.

A second asset that Edwards apparently brings to the Democratic ticket is the ability to connect with and inspire black voters. It has been a rather poorly kept secret around Washington that many in the Democratic Party are very concerned about Kerry's remoteness from the black community. Kerry is a rich, New England blue blood who not only has no first-hand knowledge of the problems facing many African-Americans, but also sounds painfully affected and condescending when he attempts to address those problems. Kerry has no prominent blacks on his team and has made no true public effort to incorporate black issues into his campaign themes.

It is no wonder, then, that many party big shots are concerned that Kerry's candidacy will fail to attract those black voters who were so crucial in Bill Clinton's two victories and who helped give Al Gore a plurality of the popular vote in 2000. There is, of course, little concern that black voters will cross traditional party lines and vote for President Bush, but there is considerable concern that Kerry's inability to connect will result in low black voter turnout, thereby giving Bush a slight advantage in an otherwise very close contest. Many people think, and I tend to

agree, that Edwards could change that. He is, after all, a man who was raised in but overcame poverty, becoming a self-made multi-millionaire. He is also a southerner, who has ties to black leaders across the South, and who has proven on the stump that he is comfortable campaigning in black communities.

Of course, despite these and many other upsides that Edwards brings to the Democratic ticket, he also brings some significant downsides. The most notable of these is that he is simply not a serious politician.

Fans of John Edwards like to compare him to Bill Clinton, apparently believing that a slow Southern drawl and an overbearing love of oneself are the two most notable ingredients in Clinton's formula for success. But unlike Clinton, Edwards does not appear to care a whole lot about government or public policy. Bill Clinton was not only a wonk, but a wonk's wonk. John Edwards, in contrast, is nothing of the sort. In interviews and even in some of the Democratic primary debates this spring, Edwards seemed more than a little out of his element, appearing unaware of the names of prominent laws and bills and their respective relevance to the issues under consideration. Bill Clinton would never have been caught so unprepared.

And it is not as if there were not better prepared candidates available. As it turns out, Edwards got the nod for the second slot on the ticket over, among others, Senator Joseph Biden, the ranking member of the Senate Foreign Relations Committee. And while I have little love for Biden, there is no question that he, like the aforementioned Clinton, is a reasonably serious politician. He also has extensive knowledge of and significant experience in dealing with national security matters, and would have been a standup foe for Vice President Cheney on such matters as Iraq and the War on Terror.

But in choosing Edwards over Biden, the Kerry team appears to have conceded the issue of national security. The Kerry campaign appears willing therefore to stand or fall on the battle over domestic policy.

Unfortunately for Kerry, even here, Edwards' knowledge and ideas leave much to be desired. As I noted several times this spring, Edwards' domestic shtick is the same old, tired, Bob Shrum-ian class-warfare tripe that cost Al Gore the election in 2000 and which has been largely unsuccessful for any national-level Democrat for nearly three decades. Edwards' "two Americas" stump speech is pure platitudinal gobbledegook that neither resonates with voters nor demonstrates any depth of analysis.

I know that hordes of commentators, analysts, and talking heads spent a great deal of time last week talking up Edward's strength in an attempt to disprove the Washington conventional wisdom that Vice Presidential picks don't matter much and that no one votes for Vice President. But as with so much other conventional wisdom, this chestnut is almost always true. And therein lies the problem with the Edwards choice. Kerry desperately needed to choose someone who would upset the standard formula. And he didn't, which is why I view the Edwards selection as a missed opportunity, an opportunity which his opponent did not miss when he was presented with it four years ago.

I firmly believe that George W. Bush is President today because he had the good fortune and the good sense to pick Dick Cheney as his running mate in what proved to be a very close race. Cheney filled in George W. Bush's weak spots. Bush was inexperienced, they said. But Cheney was not only a former Secretary of Defense, but was also a former Congressman and the youngest White House Chief of Staff ever. Bush was a lightweight, they said. But Cheney was a serious man with serious ideas and the wherewithal to see those ideas implemented. In short, Dick Cheney was the exception to the conventional wisdom noted above. He was a Vice Presidential nominee who mattered, and still, for that matter, does.

Kerry had the opportunity to find someone like Dick Cheney, someone who would add serious heft and gravitas to his ticket. He could have, as I suggested earlier this year, selected someone like Bob Rubin to shore up his domestic and business *bona fides*, or someone like Sam Nunn, who would have been able at least to hold his own with Cheney on defense and national security matters. But instead he chose Edwards.

Now I don't know that this missed opportunity will ultimately cost Kerry the election. I think Bush's victory is likely, and that there is little that Kerry can do to change that. Certainly, though, a more imaginative pick might have given Kerry a more reasonable chance.

**THE REAGAN LEGACY.** The newswires this morning carry a short story about Ron Reagan, the late President's youngest son, who has agreed to give a speech at the *Democratic* convention. Though the media will undoubtedly play this as a dramatic stab at President Bush and the current leadership of the GOP, no one should be surprised by the younger Reagan's political choice. If anything, it's a bit surprising that it has taken him this long to make official his jump to the party his father left so many years ago.

Ron Reagan has, of course, been a critic of George W. Bush for some time. Many in the media treated his most recent jabs at the President as atypical, but the fact is that Reagan criticized Bush openly during the 2000 campaign and questioned then-Governor Bush's qualifications to hold nation's highest office. In fact, he was famously (infamously?) quoted as asking what Bush had accomplished in life other than being "no longer an obnoxious drunk."

The Democrats will play this as a tragic failing on President Bush's part, proof that he is divisive and unable even to retain the loyalties of the most prominent of conservative families. The young Reagan himself has said that much of his problem with the GOP is related to its position on stem-cell research. But he adds that he also believes that the party of his father is as insensitive and intolerant as its Democratic critics contend. "I couldn't join a party," Reagan has said, "that frankly, tolerates members who are bigots for one thing, homophobes, racists."

And while this is all well and good, there is clearly more to the younger Reagan's dislike of the younger Bush than the former is willing to concede. First, it is fairly well known that his mother, the former First Lady, was not exactly fond of the Bush family and it is only natural that Ron, the youngest child and the one closest to his mother, would pick up on that sentiment.

Second, and likely most important, Ron Reagan undoubtedly carries a certain amount of bitterness about George W. Bush's political success. As several commentators have noted over the years, when President Reagan took the oath of office on January 20, 1980, there were two

Ronald Reagans and two George Bushes on the dais; three of those men would be President, while only one would not. Of the younger generation, one followed directly in his father's footsteps, becoming the President of the United States and the most powerful man in the world, and the other went on to be the "color commentator" for USA Network's coverage of the Westminster Kennel Club dog show. One embraced and expanded his father's legacy, while the other . . . well, you get the picture.

For more on Ron Reagan and his criticism of President Bush, check out Bob Novak's column today (<http://www.townhall.com/columnists/robertnovak/rn20040712.shtml>). Novak quotes extensively from a rejoinder to the younger Reagan's public statements by William F. Buckley, the godfather of modern American conservatism and one of the men credited by the late 40<sup>th</sup> President himself for shaping his political ideology.

In the final analysis, while the Reagan speech at the Democratic convention may make good theatre and provide good entertainment for the delegates, it is very unlikely to change the mind of any voters, anywhere. On the other hand, the presence of the Zell Miller, the highly respected Democratic Senator from Georgia, as a featured speaker at the Republican Convention could have an impact on many Democratic voters across the land by providing a respectable justification for a died-in-the-wool Democrat to abandon the party in this particular election in favor of George Bush and Dick Cheney.

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