

Stephen R. Soukup Publisher
soukup@thepoliticalforum.com

Mark L. Melcher Editor
melcher@thepoliticalforum.com

THEY SAID IT

The first thing everywhere is the desire of the rulers themselves to get money; the merchants and industrialists are supposed to be chiefly tax channels. The Islamic states of the Middle Ages and the Italian states from the fourteenth or fifteenth centuries laid the groundwork for this; fiscal management has been developed into a science. Real property gradually ceases to be the sole basis for existence, although it is still enormously predominant and safeguarded. There arise great fortunes and businesses that are independent of it. Trade and commerce gradually lose their rather local character and there begins a greater concern with distant places Europe becomes the mill for all five continents; industrial and political superiority are regarded as going hand in hand. Through the confiscation of church property, the abolition of mortmain, a huge mass of energy and property as well as the people living there become available to industry. Machines and mass production gradually rise. The great capital needed for them is accumulated and there is a progressively smaller number of people governing their destiny. Competition and mutual throat-cutting set in An absurdly lamentable addition to this is the fact that the state incurs those well-known debts for politics, wars, and other higher causes and “progress,” thus mortgaging future production with the claim that it was in part providing for it. The assumption is that the future will honor this relationship in perpetuity. The state has learned from the merchants and industrialists how to exploit credit; it defies the nation ever to let it go into bankruptcy. Alongside all swindlers the state now stands there as swindler-in- chief.

Jacob Burckhardt, *Judgments on History and Historians* [compiled from notes from lectures given at the University of Basel between 1865 and 1885], 1929.

AMERICA ALONE, SADLY.

The world is falling apart, you know. The economy may, technically, be in recovery, but you’d be hard-pressed to prove that to the average American. The risk of a “double-dip” recession may or may not be diminishing as we write – depending, of course, on which forecasts you’re reading – but that does not mean that people feel secure about the future, and it does not mean that the mood of consumers is likely to improve appreciably any time soon.

There are few jobs to be had, at home or abroad. Inequality is increasing. The middle class is languishing at best or, more likely, slowly disappearing. Debt loads – personal and public – are crushing. Credit is tough to come by. And the bottom of the housing market appears nowhere in sight. For a great many people, times are tough, to put it as mildly as we can.

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Subscriptions are available by contacting:

The Political Forum LLC 8563 Senedo Road, Mt. Jackson, Virginia 22842
Phone 540.477.9762 Fax 540.477.3359 melcher@thepoliticalforum.com www.thepoliticalforum.com

Now, you don't have to take only our word for it. Dr. Doom, Nouriel Roubini – the man who correctly predicted the economic collapse of 2007-'08 – has upped his odds of a double-dip to better than 40% and has gone on record predicting that some 400 or more U.S. banks are going to fail. Business leaders are depressed and growing more so. And the International Monetary Fund is warning not only that the situation in the West looks bleak, but that conditions are so dire as to presage potential social and political unrest to come. As our old friend Ambrose Evans-Pritchard put it last week:

“The labour market is in dire straits. The Great Recession has left behind a wasteland of unemployment,” said Dominique Strauss-Kahn, the IMF's chief, at an Oslo jobs summit with the International Labour Federation (ILO).

He said a double-dip recession remains unlikely but stressed that the world has not yet escaped a deeper social crisis. He called it a grave error to think the West was safe again after teetering so close to the abyss last year. “We are not safe,” he said.

A joint IMF-ILO report said 30m jobs had been lost since the crisis, three quarters in richer economies. Global unemployment has reached 210m. “The Great Recession has left gaping wounds. High and long-lasting unemployment represents a risk to the stability of existing democracies,” it said.

Truth be told, we are not really big fans of the IMF. And while we personally know and like Ambrose very much, he is prone, on occasion, to get a little overwrought about the economy and about the future of the Western world.

That said, we are not sure that a little worry isn't warranted at this point. Economic downturns and dislocations have, historically, led to significant social and political turmoil. The economic slump and

crop failures of 1846 led to the “Spring of Nations” revolutions across Europe in 1848. War, conscription, and consequent economic failure and starvation triggered the Russian Revolutions of 1917. The Great Depression, of course, fueled the rise of the welfare state at home, the entrenchment of fascism in Italy, and the rise of National Socialism in Germany. And the list goes on.

Indeed, the history of man is, in many ways, the story of economic breakdowns – famines, plagues, recessions, and depressions – followed by political and social upheaval. And the history of the West in particular – as detailed by the incomparable Norman Cohn in his classic *The Pursuit of the Millennium* – is the story of economic breakdowns followed by political and social upheaval and leading, more often than not, to absurd, dangerous, fantastically utopian responses; e.g. socialism, Communism, Nazism.

All of which is to say, as we said before, that a little uneasiness at this point is probably perfectly appropriate.

What we find interesting, though, is that this particular economic breakdown appears to be inducing an unusual response among westerners, or at least among a great many of them. The folks at the IMF and the ILO may, in fact, be right that this “Great Recession” has the potential to destabilize some democracies. But thus far, at least, a surprising number of Western democracies have responded to this current crisis in a decidedly un-millenarian manner, i.e., with prudence and pragmatism.

In fact, throughout Europe, the response to this economic crisis has been precisely the opposite of what one might expect. In the face of potential “social disruptions” and the like, virtually all Western leaders have traditionally sought to pre-empt any serious discontent and to soothe and suborn the public, principally with the expansion of the state and of the welfare apparatus. Not so this time around.

This time, nearly the entirety of Europe is moving away from traditional statist remedies. Germany and Great Britain have garnered the most international

attention for their budget cuts, but they are hardly alone. As the German news agency *Deutsche Welle* reports:

During the German European Union presidency in 2007, EU finance ministers promised one another that budgets in Europe would soon be balanced.

These plans have all been forgotten. The current crisis requires truly drastic action. And it means the governments are now all performing u-turns. Only a couple of years ago, they were spending money to fight the economic crisis; now the EU leaders are scrambling to work out new ways to cleanse Europe of its debt.

The common strategy is to cut spending. The overwhelming deficits facing the whole of Europe, whether in the eurozone or outside it, it seems, render no other choice.

Austria's finance minister Josef Proell sees Europe at the start of an Olympic challenge.

"This crisis we presently find ourselves in is the largest Europe has ever faced. Irresponsible spending of public funds - living today as if there were no tomorrow - has led in some cases essentially to collapse. We Europeans have no choices left; we have to make significant changes to restructure our economic system."...

President George Papandreou had announced rigid austerity measures that were the conditions of a huge loan offered by the other eurozone states and the International Monetary Fund. Greece is looking to raise 30 billion euros over the next three years with a 23 percent sales tax.

In a speech to parliament, Papandreou said there was no alternative: "While we consider these measures, other states in Europe are considering whether to save us Greeks from going bankrupt. We absolutely have to show a sign of conviction."

In Spain, public sector employees and retirees will have to shoulder the brunt of planned austerity measures. Prime Minister Jose Zapatero, whose socialist government is at a tipping point, is looking to save 50 billion euros over the next four years: "The cuts are necessary to reduce our deficit and re-establish trust among other nations in the Spanish economy," Zapatero said in a government statement

Arguably, the grandest announcement of austerity measures in Europe was made by the conservative government in Great Britain. In a traditional ceremony of pomp and circumstance, the English Queen entered British parliament at the end of May to make her bitter announcement, which had been written out for her by the new prime minister, David Cameron.

"The first priority is to reduce the deficit and restore economic growth. Dealing with the deficit and continuing to ensure the economic recovery is the most urgent issue facing Britain. We must tackle the deficit to restore confidence in our economy and support the recovery."

The singular Western exception to this rule can be found in the United States of America. The rest of the developed world is cutting government, cutting taxes, cutting spending, and generally reducing the footprint of government. But not the good ol' U.S. of A, which is on a bender: increasing spending, raising taxes, and expanding the scope and size of government in dramatic and unprecedented ways.

Four years ago, the inimitable Mark Steyn wrote a book called *America Alone*, the basic premise of which was that the United States stood alone among the nations of the West, the sole hope in the long war against radical Islam. One of Steyn's most important arguments, naturally, was that the United States is the only nation in the West to have resisted the sirens' song of absolute statism and is thus uniquely positioned, demographically, to resist the cultural and political enervation that inevitably accompanies the expansion of the state.

Steyn was also dubious about America's ability to maintain its unique position, given the apparent desire of the country's political, social, and media elites to neuter themselves and their constituents before the long war could be won. And on this matter, he proved far too prophetic.

What Steyn did not foresee – could not have foreseen – is that the state-enervated Europeans might actually attempt to retake some of the ground previously surrendered to their erstwhile boundless government – which is to say that Steyn could not have known that only four years after the publication of his book, America would stand alone in the world, but in ways that none could ever even have imagined. Surprisingly – horrifyingly – in the first post-Steyn crisis, his depiction of the world was stood almost exactly on its head.

The question now, obviously, is “where does it go from here?” Apart from the obvious answer, namely “who knows,” the reply to this query offers a mix of both good and bad.

On the plus side, the people of the United States – as opposed to the ruling class of the United States – appear unwilling to accept this inversion of circumstances without a fight. For all those in the media and the political parties who still want to know what the Tea Party movement is all about, this is about as good an answer as you're going to get. The Tea Party, whatever else it may be, is first and foremost a response to the accelerated statism of the ruling class since the economic collapse of 2008.

Critics of the Tea Party dismiss it as a racist and or culturally anxious response to Barack Obama. This is only half right. It is a response to Obama, but not because of his race. It's a response specifically to Obama's role in the inversion of normalcy and in the unconditional, unrepentant, and seemingly unstoppable embrace of state expansion that has characterized the his presidency.

George W. Bush advanced the administrative state tremendously. And so did Bill Clinton and George H.W. Bush before him. But Obama's efforts have been unparalleled. As his chief of staff, Rahm Emanuel, infamously advised, this president has decided not to let this crisis “go to waste.” And it is this cynical manipulation of the nation's economic woes to advance the cause of statism that has been Obama's undoing – at the polls and in the streets.

In short, if you are looking for good news about the American response to the current economic crisis, it is that, as countless commentators on the right have pointed out over the least several months, Obama's most lasting and pertinent legacy may well be the backlash that he inspired among the people of the country.

On the down side, the public mood in Europe is, as you might expect, also precisely inverted. Workers are striking in France and Britain. They are rioting in Greece and threatening to do so in Spain and the Czech Republic. On the streets of Europe, many workers and unemployed youth are responding with anger and violence to what the Associated Press calls the effort to “chip away at some cherished but costly benefits that underpin the European good life.”

You will forgive us if we worry about the sturdiness of the European ruling class in the face of popular dissatisfaction. The Germans are likely to be able to maintain their austerity measures. They are the Germans, after all. But only time will tell if the rest of the continent can manage to maintain the push to cut government, even as the people grow impatient.

Will the rage and uncertainty in some of these places be significant enough to present, as the IMF warns, “a risk to the stability of existing democracies?” We certainly hope not, though it’s impossible to say for sure.

Ironically, if you ask us, the one country where the economic downturn and the response to it pose a real and palpable risk to the existing order is the United States. We don’t suppose, though, that the IMF spent a great deal of time worrying about movements that would actually advance the causes of liberty, individualism, and constitutionalism.

But then, once again, we can’t say for sure. Maybe the folks at the IMF *are* worried about the stability of the existing order in the United States.

We can dream, can’t we?

CRAZY IS AS CRAZY DOES.

Hey! Did you hear? Christine O’Donnell, the Republican Senate candidate in Delaware, is crazy.

But she’s not the only one.

Sharon Angle, the woman running against Senate Majority Leader Harry Reid, is also crazy. And if Angle had lost her primary contest, the woman she ran against, Sue Lowdon would be crazy too.

Nikki Haley, the Indian-American woman the Republicans have nominated to run for governor of South Carolina? Crazy as a hoot owl. Carly Fiorina and Meg Whitman, the Republican nominees for Senator and Governor, respectively, in California? Crazy. And crazy.

And of course you know about Sarah Palin, the mama grizzly of them all; she’s the craziest crazy in crazy-town. What’s the difference between a pitbull and a hockey mom? Well, if that hockey mom is Sarah Palin, then she’s crazy; that’s what!

As it turns out, crazy Republican women are everywhere. They’re running for and winning nominations for high office, proving that the system itself is crazy. Or maybe broken. Who knows? But the whole mess is just plain scary. And crazy. Did we mention crazy yet?

So what, exactly, accounts for this epidemic of crazy Republican women? And more to the point, what does it say about and portend for the future of the American political system?

The first thing that this epidemic tells us is that our political class is utterly and completely confused by what has transpired this election season. We’re tempted to say that all of this name-calling serves as proof that the political elites are scared by the Tea Party insurgency. But it’s a little more complicated than that.

Some of those insisting that all of these Republican women are crazy actually believe it. And they actually relish the opportunities that they believe these women provide them. They think that the “crazies” give them the chance to retain some seats they had already written off as lost; see Delaware, for example. And, moreover, they think that even if some of the crazies slip through, they will only embarrass themselves, their party, and their ideology. It’s a win-win, as far as they’re concerned.

But they are wrong. They are misreading the electorate rather spectacularly. The Tea Party insurgency, perhaps best personified by the candidacies of these Republican women, isn’t about politics as usual or, for that matter, about the usual political yardsticks. These women weren’t nominated because of their specific policy positions or their adherence to the norms of polite political society. They were nominated specifically in opposition to traditional policy positions and as a rejoinder to polite political society.

These women were nominated because they are different; because they are enthusiastic; because they are not as polished as the “pros.” These are not

impediments to their election. They are advantages. As the libertarian-techies put it: these women's political nonconformity is not a *bug*; it's a *feature*.

And that brings us to the other group of folks who are calling these women crazy, folks like Karl Rove, who don't actually believe what they say but feel they must say something. The Karl Roves of the world know full well that these women – and other Tea Party candidates – represent a repudiation of them specifically. If the GOP establishment had not spent the entirety of the last decade running up deficits, expanding the reach of government, and encouraging the entrenchment of the administrative state – and worse yet, doing it all under cover of the war against radical Islam – then these women would not have been nominated. Indeed, it is likely that they would not have run. It is quite possible, in fact, that they would not be part of a political movement at all, since it's hard to imagine that, under such conditions, the Tea Party movement would have existed or needed to exist.

The second thing that the attacks on the sanity of Republican women candidates tells us is that feminism, as it existed for most of the last century, is officially and unequivocally dead.

Once upon a time, it would have been political suicide to single out a woman candidate, whose views you just happen to dislike, and to label her “mentally unstable.” The response from the “feminists” would have been swift, deafening, and entirely justified.

Back in the 1980s, when Colorado Congresswoman Pat Schroeder contemplated running for president, a handful of Republicans had the gall to question her stability. And despite the fact that Schroeder had spent a great deal of her career covering up the indiscretions of her fellow Coloradan Gary Hart and was, moreover, prone to fits of emotionalism and weeping, those critiques were roundly, summarily, and *reasonably* dismissed as sexist sour grapes.

Today, however, the same or worse can be said about not just one, but half-a-dozen Republican women,

based on far less evidence and nary a peep is spoken in reprisal. You say these women are crazy? Well, they are Republicans, after all. And what more proof is needed, really?

Now, no one should have been under any illusion about the state of feminism anyway. Between their covering for Bill Clinton and their absolutely craven refusal to speak up for or to defend women in the Muslim world, the members of the feminist establishment long ago surrendered any semblance of credibility. Their utter and complete silence on the subjects of Palin, O'Donnell, Haley, Angle and the rest is merely the final nail in the proverbial coffin. Feminism as we knew it is dead. And nothing is going to revive it, at least not as it once existed. The “next” feminism will, we feel confident in predicting, be less political, more practical, and far more conservative in temperament.

A third thing that we can decipher about the state of politics in this country from all the “crazy” talk is that no one in our ruling class any longer has even the slightest idea what is really “crazy.”

If you ask us (and didn't you?), there are a great many things in our political system these days that are a heckuva lot crazier than dating a witch in high school or telling people not to diddle themselves. For example, Christine O'Donnell's general election opponent, Congressman Chris Coon, jokingly described himself as a “bearded Marxist” in an article he wrote, while in college, about his political conversion to the left.

And what is it that Marxists – bearded or otherwise – believe? Or, more to the point, what is it that those beliefs lead to? Fortunately, there's some new research on that very question, as *The Independent* of London reports:

Between 1958 and 1962, a war raged between the peasants and the state; it was a period when a third of all homes in China were destroyed to produce fertiliser and when the nation descended

into famine and starvation, [Frank Dikötter, a Hong Kong-based historian] said.

His book, *Mao's Great Famine; The Story of China's Most Devastating Catastrophe*, reveals that while this is a part of history that has been "quite forgotten" in the official memory of the People's Republic of China, there was a "staggering degree of violence" that was, remarkably, carefully catalogued in Public Security Bureau reports, which featured among the provincial archives he studied. In them, he found that the members of the rural farming communities were seen by the Party merely as "digits", or a faceless workforce. For those who committed any acts of disobedience, however minor, the punishments were huge.

State retribution for tiny thefts, such as stealing a potato, even by a child, would include being tied up and thrown into a pond; parents were forced to bury their children alive or were doused in excrement and urine, others were set alight, or had a nose or ear cut off. One record shows how a man was branded with hot metal. People were forced to work naked in the middle of winter; 80 per cent of all the villagers in one region of a quarter of a million Chinese were banned from the official canteen because they were too old or ill to be effective workers, so were deliberately starved to death.

You'll note, we assume, that this discussion covers only one four-year period in one country. Yes, that four-year period was, as Dikötter puts it, "like Pol Pot's genocide multiplied 20 times over." But it's important to remember that other countries and other rulers and other time periods also reflect the "bearded Marxist" ideals – like Pol Pot, for example. Or, like the period under study for Dikötter's next book:

Mr Dikötter said that he was once again examining the Party's archives for his next book, *The Tragedy of Liberation*, which will deal with the bloody advent of Communism in China from 1944 to 1957.

He said the archives were already illuminating the extent of the atrocities of the period; one piece of evidence revealed that 13,000 opponents of the new regime were killed in one region alone, in just three weeks.

Tell us again, who's crazy?

It is said that Albert Einstein described insanity as doing the same thing over and over again, expecting a different outcome. We think that this is relevant to this discussion, precisely because the President of the United States, the man who is the head of the party that has made a habit of calling a handful of Republican women "crazy," is asking voters to reject those Republican women, and others like them, and to vote to continue his economic policies. Indeed, the President has, several times, proposed further fiscal "stimulus" to add to the stimulus that he's already inflicted upon the country. And we use the word "inflicted" advisedly. How has that stimulus panned out? *The International Business Times* explains:

The Los Angeles City Controller said on Thursday the city's use of its share of the \$800 billion federal stimulus fund has been disappointing.

The city received \$111 million in stimulus under American Recovery and Reinvestment Act (ARRA) approved by the Congress more than year ago.

According to the report, the Los Angeles Department of Public Works generated only 45.46 jobs (the fraction of a job created or retained correlates to the

number of actual hours of work) after receiving \$70.65 million, while the target was 238 jobs.

Similarly, the city's department of transportation, armed with a \$40.8 million fund, created only 9 jobs in place of an expected 26 jobs.

Seriously? We want to do this again? And again? And maybe even again? Frankly, we think we'd prefer the witch. At least there would be a chance that she could cast a spell and turn this turd into a frog, or something.

Like we said, the people who are running around, tossing out pejoratives like "crazy" and "nutty" have their own . . . ummm . . . eccentricities for which to answer. Whether it's an affinity for a mass-murdering movement, the belief that tax-cutting and spending would establish a permanent GOP majority, or the equally blinkered belief that taxing and spending would establish a permanent Democratic majority, our political establishment has its own host of bizarre beliefs and practices.

Would we prefer to have a candidate who didn't dabble in witchcraft or talk about personal issues on MTV? Sure. That would be nice. But if the choice comes down to a possibly flaky but generally decent outsider versus a polished insider who can't figure out why the people of the country are unhappy, we'll take the flake any day.

Crazy is as crazy does, we guess. And even if she's off mixing potions and making poison apples right now, Christine O'Donnell isn't half as nuts as is the political establishment that she just turned upside down.

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