

The Political Forum

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

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SOME OPTIMISTIC THOUGHTS IN THE MIDST OF A BEAR MARKET

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As Steve informed you, I went to Atlantic City for a couple days rather than write last week. For those of you who were nice enough to e-mail me and ask, I won a small amount, which is unusual for anyone who gambles against the house.

I used to play poker at Atlantic City, sitting for hours on end trying to eke out a winning hand against the pros and near-pros who populate the higher stakes poker tables at any big casino. I didn't do badly, but it was a lot of work.

Now I play low stakes PaiGow, just for fun. The odds of winning at PaiGow are exactly even, so the house takes 5% of your sweeps. You don't have to be a math major to figure out that this is not a good deal. But, as Bill Nye said about Wagner's music, "It is not as bad as it sounds." There are a lot of "pushes," and the game is dirt simple, so it allows for much conversation and people watching.

As for losing the 5%, it is a grand improvement over my performance in the stock market of late. And it is far less risky, and thus much more relaxing, than what I have been doing for the past eight years, which was writing about Bill and Hillary, as well as the shysters, sharpies, flibbertigibbets and fly-by-nighters, savings and loan robbers, international crooks, impoverished but generous Buddhist nuns, Russian and Chinese spies, international dope and arms peddlers, harridans, harpies, perjurers, liars, crooked real estate magnets, porn peddlers, union thugs, and loose women that populate their world.

To borrow a phrase from my friend Kelly Anne Fitzpatrick, a person could "end up like Kathleen Willey's cat" for a take-no-prisoners approach to covering the Clinton crowd. Or unemployed.

But, of course, that's all over now. Even the wackiest liberals have little good to say anymore about Bill and Hill, or as the *New York Observer* now calls her, "Slick Hilly." To paraphrase

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Nixon's famous remark about Keynesians, "We're all Clinton haters now." Or, as columnist Ann Coulter described the dilemma facing the Clintons, "You find out who your real friends are when you lose the ability to save Roe v. Wade."

This sudden eye opening among the liberal establishment has been good for my ego and, one would have to surmise, for the souls of those Democrats who once were blind but now can see. But more importantly, it has been hell for the Democrat party, and, I believe anyway, a very good thing for the long-term health of the U.S. economy, the markets, and society in general.

You see, contrary to the assertions of Tom Daschle, Dick Gephardt, and other Democrat Party nabobs, the mess we're in did not begin two months ago with the swearing in of George W. Bush. It began sometime during the Clinton years, and it was the direct result of an endless stream of horrible decisions and actions on the part of Bill and his minions.

During his eight years in office, Bill added some 560,000 pages rules to the Federal Register. The National Center for Policy Analysis (NCPA) estimates that the private sector today spends approximately \$700 billion each year to comply with federal regulations, or more than \$6,000 per American household.

All by himself, Bill issued something in the neighborhood of 500 executive orders during his two terms, more than one a week, many of which were egregiously costly to business and detrimental to the economy. Pete du Pont, former governor of Delaware and chairman of the NCPA, notes that one of Bill's favorite political toadies, Paul Begala, used to laugh about the process, "Stroke of the pen, law of the land. Kinda' cool," he would say. And now the bill for this dubious record of circumventing Congressional approval has come due, as any thinking person knew it must.

Or how about this? Bill Clinton put Joel Klein, a White House legal hack, in charge of the Justice Department's anti-trust division, and then authorized him to try to break up Microsoft, the largest, most successful tech firm in the nation, in a crude attempt to "shake down" the sector for campaign cash? Hello? Is there a connection here with the tech wreck?

Bill Clinton named another political hack, Bill Richardson, to head the Energy Department. Richardson had no qualifications whatsoever for this job. His principal claim to fame was that he had tried to hustle Monica Lewinsky out of town with the offer of a job at the United Nations. Is there a connection here with the dismal state of America's energy policy and resultant high energy prices?

A comprehensive summary of these and other similar actions is well beyond the framework of an essay like this. But basically, I am talking about the impact of an unprecedentedly huge tax increase early on; annual out-of-control hikes in federal spending for non-productive and even counter-productive programs; and eight years of lame, left-wing, and often deeply-corrupt leadership of such important agencies as OSHA, EPA, IRS, FBI, CIA, BATF, FTC, Treasury, Commerce, Labor, Energy, and, lest we forget, the entire Department of Justice.

Individually, no single event was dumb or corrupt enough to break the back of the wonderfully healthy economy that Bill inherited. But collectively, over time, the Clinton crowd beat away at it, promoting inefficiencies in the marketplace, raising the costs of doing business, eroding

investor and consumer confidence, draining much-needed investment capital away from places where it was most needed, and poisoning competition, which is the mainstay of a thriving economy and healthy financial markets.

Liberals refuse to recognize it, but the fact is that government actions have economic consequences. Or to put it another way, years of duplicitous and stupid misdeeds by government eventually do great economic damage. Yet, a person would be hard pressed to find even one of the political and economic gurus in TV land, including the so called conservative commentators, who understands that this is the fundamental reason that the market has gone to hell.

Liberals kept saying throughout the process that one more straw would not break the back of such a big and strong camel. Conservatives warned that the camel would eventually fall. But now that the beast is down, all any of them can do is complain about Alan Greenspan.

Now I am not big fan of Greenspan, but what, pray tell, was he going to do, all by himself, to stop the inevitable consequences of eight years of economic madness and governmental corruption? And, by the way, are not the messes in Japan, Europe, Russia, China and Latin American the result of the same thing?

But ding, dong, the wicked witch is dead, at least in the good old U.S. of A. The whole sad, sorry lot of phony wizards and little people who made up the Clinton crowd are gone. American voters poured water on them and they disappeared in a shriek and a puddle. And the flying monkeys are left with Tom and Dick to lead them, two mediocre, lightweights who have no magic powers and little knowledge of the real world that is about to take the place of Bill Clinton's Oz.

And this, brothers and sisters, is good news, very good news, so long as you keep in mind that the nation didn't get into this mess overnight, and we won't get out of it overnight. There are no ruby (silver in the original, since the wizard was William Jennings Bryan) slippers to take us magically back to normal. Clinton's Oz will have to be dismantled, one brick at a time. And a new, honest, decent, and fair federal structure will have to be built to replace it, one brick at a time.

If you pay close attention, you will see that the process has already begun. Things like the roll-back of the costly ergonomics rule, the decision not to regulate CO2, a revision of the bankruptcy law, and efforts to open some new areas to energy exploration are instructive. A host of initiatives to force Big Labor onto a more level playing field, to curtail its ability to extort political funds from its members, and to get some of the crooks out of the leadership and into prison where they belong is another bright spot. If you listen closely to the confirmation hearings that are going on all over Capitol Hill, you will discern a new emphasis on private property rights by those individuals being considered for jobs overseeing the environmental and energy sectors.

Soon, if you pay attention, you will see the beginning of a quiet effort to curtail the political action campaigns of dozens and dozens of left-wing groups that fly under the banners of non-profit organizations, but which actually spend most of their time and money lobbying in favor of a radical, left-wing agenda.

And before President Bush's first term is over, you will see at least one new Justice on the Supreme Court who views his or her role as interpreting the law, not making it. Already the word is circulating that the Bush administration will stop the practice of seeking the advice of the ultra-liberal American Bar Association about prospective federal judges, including Supreme Court appointees.

In addition, White House work has begun on filling nearly 100 federal judicial vacancies that Bush inherited, largely due to the GOP Senate's refusal to consider many Clinton appointees in the final months of his presidency.

And sooner or later, as the courts become more conservative, liberals will, once again in the words of Ann Coulter, have to "fight political battles through a messy little system known as 'democracy.'" And thins will begin to get better.

As I said earlier, this won't happen overnight. But-it -will happen. What could be a better sign, for example, than having the liberal leadership, which once heralded national health insurance as a "must," argue that the fiscal surplus should now be used to "pay down the debt"? Or, better yet, how about "We want tax cuts too, only smaller ones than the Republicans want"? Now there's a hard hitting political slogan for you.

Former Clinton Labor Secretary Robert Reich said last week that the Democrat party is dead. I wouldn't go that far. The socialist myth is still a powerful one, and, as could be seen during the last election, a vast portion of the American public still finds it seductive, despite its dismal record wherever it has been tried.

But, for the time being at least, Republicans, under the leadership of George Bush, are in charge. And while some of us conservatives might feel that the Bush White House is not being aggressive enough in curtailing the size and power of the federal government, or generous enough in its tax cut proposals, it is moving in the right direction, and, over time, will set a lot of things straight that have been out of whack for eight long years.

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