

The Political Forum

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

Mark L. Melcher
Publisher
melcher@thepoliticalforum.com

Stephen R. Soukup
Senior Editor
soukup@thepoliticalforum.com

Friday, July 6, 2006

A REPRINT FROM A PIECE PUBLISHED MAY 6, 1998

Something Has Changed

Mark L. Melcher
Stephen R. Soukup

The big political story in the mainstream press last week was the fact that the pack appears to be gaining ground on the nimble and elusive Bill Clinton. No one on either side of the political aisle was openly speculating that the chase was nearing an end. But for the first time, numerous commentators, who heretofore had denied that Bill's pursuers were worthy of the field, began to wonder publicly whether he might be in serious trouble.

My favorite speculation along these lines was an article on Bill's Thursday press conference, in the Friday, May 1 *Washington Post*, by Staff Writer Dan Balz, which asked the question "Has Clinton Reached His Pique?", and which concluded with the surprising observation, for the *Post* at least, that "the toll on his presidency was in evidence yesterday and there seems to be nothing on the horizon likely to change that reality as long as he is in office."

In any case, since everyone was weighing in on the subject last week, I thought I would add my two-bits this week. So here goes.

For me, the first sign that significant change was in the air came when I glanced through the *Washington Post* on Sunday morning, April 26, and discovered that the lead story in the "Style" section was about how Paula Jones had been the belle of the ball the night before at the annual White House Correspondents' Dinner, at which Bill had given the keynote address.

On the surface, this is minor thing, I know. But here I was reading, in the society section of the liberal *Washington Post*, that Paula Jones, little Miss "Trailer Park Trash" to the society types with whom the *Post's* editors run, was not just rubbing elbows with Washington's elite, but--get this--signing autographs for them. I'm not being frivolous when I say that this is a big deal. It is, I believe, a sign that something has changed.

It was also a very big deal, I believe, when House Speaker Newt Gingrich (R., Ga.) launched a verbal assault on the White House last week, publicly advising Bill that if he isn't willing to fire Ken Starr, then he should tell his "paid hacks," who are attacking the integrity of the special

Subscriptions to The Political Forum are available by contacting:
The Political Forum

8563 Senedo Rd., Mt. Jackson, Virginia 22842
Tel 540-477-9762, Fax 540-477-3359, Email melcher@thepoliticalforum.com,
or visit us at www.thepoliticalforum.com

prosecutor, to “shut up” about him. “I am sickened by how unpatriotically they undermine the Constitution of the United States,” Gingrich charged.

Now people close to Gingrich maintain that the impetus for this outburst was his disgust with ham-handed Democratic efforts to block a House inquiry into campaign financing abuses. I have no reason to doubt this. But I can’t help but believe that it also reflected a belief on the part of the Speaker that Bill is beginning to weaken.

When the Monica Lewinsky story broke, Gingrich ordered House Republicans to cool the rhetoric because he feared that any public attack would backfire on them, given Bill’s strong standings in the polls. Time will tell whether Gingrich is correct in believing that Republicans can now safely assault him. But Gingrich is a first rate politician, and he clearly senses that something has changed.

Gingrich wasn’t the first Republican to go on the verbal offensive, of course. Rep. Dan Burton (R., IN), Chairman of the House Committee on Government Reform and Oversight, had, a week earlier, publicly called Clinton a “scumbag.”

Initially, a lot of Republicans drew back in horror, afraid that they would get collectively roasted by the liberal media for Burton’s intemperate language. But then a calm settled when it became apparent that the principal reaction would, instead, be a lively discussion about the derivation of the term and whether it was applicable in this particular instance. Pardon me, I thought, but something has changed.

In the midst of all of this, other subtle but important things were happening on Capitol Hill. Specifically, House Republicans were fighting back on whether it was a good idea to impose huge new tax increases on tobacco products. A few weeks earlier, the conventional wisdom held that Bill had them over a barrel on this issue; that they wouldn’t dare object too strenuously to his plan because they might be seen as favoring “tobacco interests” at the expense of “the nation’s children.” And suddenly they were on top of the barrel fighting back. Something, said I, has changed.

At the same time, Republicans were joining forces in what the *Washington Times* described as an “uncharacteristic display of unity,” to support a highly controversial amendment to the Higher Education Bill that would ban all race and sex preferences in university admissions.

Even more than the tobacco bill, this is a hot political potato because it risks votes among large and growing constituencies of blacks, Hispanics, and women. Yet, once again, Republicans were taking a stand, and I would be willing to bet that part of the reason is that they think that Bill no longer has the time, the energy, the inclination, or the popularity to beat them over the head with the issue. Dare I say it? Something has changed.

And finally, in my opinion, the clearest indication of all that something has changed came last week when Bill couldn’t directly answer the following question, raised by ABC’s Sam Donaldson: “But as a standard for presidents, what do you think: Does it matter what you do in private moments, as alleged? And, particularly, does it matter if you have committed perjury or in other sense broken the law.”

This is the kind of softball query that Bill would have knocked out of the park not too many months ago. He would have squinted one eye, bit his lip, and, looking directly into the camera, solemnly pronounced that of course it would matter if he had committed perjury, or had broken any other laws, but that it was a moot point, because he hadn't.

After all, here's a guy who, five years ago, held his wife's hand, looked directly into the camera, and told several tens of thousands of Americans that he had not, absolutely had not, had sex with Gennifer Flowers, when in fact he had. And he didn't even blink an eye.

Now suddenly he's nervous about answering a hypothetical question about whether it would be wrong if he had broken the law.

Clinton fans don't know it yet, but this is a catastrophe for him. Like a gun fighter in a Western movie who loses his nerve, like Peter Pan without the ability to fly, Bill isn't Bill withoutchutzpah. It is his stock in trade.

Chutzpah is the source of, to borrow the words of philosopher Alasdair MacIntyre in a different context, Bill's "effectiveness in persuasion above rationality of argument," which is, I believe, the foundation of his political strength. Without it, even his most gullible supporters, people like Rep. Henry Waxman (D., Calif.), will begin to have doubts. When that happens, it's over. Time will tell, but once again, I think something has changed.

I'm not certain how it all will end, but so long as the Democrats don't mind having Bill in the White House (and so far, they seem to still think he's terrific), it is unlikely, I believe, that the Republicans will argue too strenuously for his ouster. For purely selfish political reasons, they think he's terrific too.

As I have said numerous times in these pages, Bill has been a godsend to GOP fortunes. Since he came to Washington, Republicans have gained control of both Houses of Congress, added 14 new governors to their roster, and decimated Democratic ranks in state legislatures across the land. And it looks very much like they will add to their numbers in each of these areas in November, if for no other reason than the fact that they are likely to have considerably more money to spend than the Democrats.

At last report, the Democratic Party was deeply in debt, in part because of huge legal expenses for party officials who were caught up in possibly illegal fund raising schemes during Bill's last presidential race.

This situation is likely to become worse as the year progresses, as a result of a recent decision by U.S. Attorney Mary Jo White's office in New York to assign several more FBI agents, a forensic auditor and other staff to the on-going criminal probe of the Teamsters Union, in order to, in the words of the *Washington Times*, "pin down the roles of Democratic groups in the Teamsters money-laundering scandal."

These groups, the paper said, include the Clinton-Gore re-election committee, the Democratic National Committee, the Democratic Senatorial Campaign Committee and the Democratic

Congressional Campaign Committee.

Steve and I recently wrote an article in which we argued that the battle between Bill and his critics can be viewed as a continuation of a 700-year-old war between competing moral systems. As I watched Bill at his press conference, it occurred to me that this battle can also be viewed as a continuation of a 200-year-old war between competing political systems.

This came through loud and clear, I think, when Bill continually asserted in response to questions that dealt with his “moral authority” to act as President, that “character” is not a function of personal behavior, but is related more directly to, as he put it during the 1996 campaign, “what you fight for and for whom you fight.”

Assertions such as these (that political leaders with good intentions, as defined by themselves, are exempt from the niceties of laws and social mores) are the backbone of all forms of collectivist political thought, whether it be socialism, communism, fascism, or the more assertive manifestations of American liberalism. Likewise, it is anathema to traditional Democratic forms of government, those that are based on the twin concepts of equal justice and individual freedom.

The Nobel Prize winning economist, F.A. Hayek discussed the tension between these two schools of political thought in his famous book *The Road to Serfdom*. His thoughts on the subject are, I believe, well worth considering today, because they show how high the stakes are in the battle between Bill and, as he fatuously puts it, “those who could not contest the ideas that I brought to the table, couldn’t even contest the values behind the ideas.”

Hayek argues that there are certain inevitable by-products of collectivist political systems; that is, those systems under which government attempts to order social and economic life by the imposition of an arbitrary set of “values” that the political leaders have determined are for the collective “good” of the citizenry as a whole, whether the citizenry agree or not.

One of these by-products, Hayek says, is that such societies will inevitably end up being led by amoral crooks. His reasoning is that leaders of such a society eventually become dissatisfied with “the slow and cumbersome course of democratic procedure,” due to overweening certainty of the “goodness” of their project and of their need for the power to implement it. During such times, Hayek says, the person who exercises the “greatest appeal” is “the man or the party who seems strong and resolute enough ‘to get things done.’”

At some point in this process, he maintains, such leaders will have to choose between attempting to assume dictatorial powers or failure, and this in turn leads to a choice between abandoning ordinary morals or failure.

I believe a case can be made that the nature of this inevitable slide toward moral and ethical decay in collectivist models was illustrated nicely during the fight, early in the Clinton administration, over Hillary Rodham Clinton’s ill-fated national health insurance scheme.

She and her associates were so convinced of the wisdom and “goodness” of their plan that they ran roughshod over the law in their attempt to force it down the throats of a highly skeptical public. More specifically, according to U.S. District Judge Royce Lamberth, officials “at the

highest levels of government” illegally lied to him in order to keep their meetings on Hillary’s plan secret, and then engaged in a “cover-up” when their treachery was discovered.

Hayek notes that collectivism is, in the final analysis, all about power. “In order to achieve their end,” he notes, “collectivists must create power--power over men wielded by other men--of a magnitude never before known, and that their success will depend on the extent to which they achieve such power.” This eventually leads to a moral framework that is far different from, as he puts it, “ours.” From here on, I’ll let Hayek speak for himself.

From the two central features of every collectivist system the need for a commonly accepted system of ends of the group and the all-overriding desire to give to the group the maximum of power to achieve these ends, grows a definite system of morals, which on some points coincides and on others violently contrasts with ours--but differs from it in one point which makes it doubtful whether we can call it morals; that it does not leave the individual conscience free to apply its own rules and does not even know any general rules which the individual is required or allowed to observe in all circumstances. This makes collectivist morals so different from what we have known as morals that we find it difficult to discover any principle in them, which they nevertheless possess . . .

The principle that the end justifies the means is in individualist ethics regarded as the denial of all morals. In collectivist ethics it becomes necessarily the supreme rule; there is literally nothing which the consistent collectivist must not be prepared to do if it serves “the good of the whole,” because the “good of the whole” is to him the only criterion of what ought to be done. The *raison d’etat*, in which collectivist ethics has found its most explicit formulation, knows no other limit than that set by expediency--the suitability of the particular act for the end in view.

I’ll close with some Hayekian thoughts from a chapter entitled “Why The Worst Get On Top,” which discusses the kind of people that collectivist governments and collectivist leaders inevitably attract. I’ll let the reader decide if these observations don’t help explain the oft-asked question of why so many of the people around the Clintons seem to have slipped their moral and ethical moorings.

To be a useful assistant . . . it is not enough that a man should be prepared to accept specious justification of vile deeds; he must himself be prepared actively to break every moral rule he has ever known if this seems necessary to achieve the end set for him. Since it is the supreme leader who alone determines the ends, his instruments must have no moral convictions of their own. They must, above all, be unreservedly committed to the person of the leader; but next to this the most important thing is that they should be completely unprincipled and literally capable of everything. They must have no ideals of their own which they want to realize; no ideas about right or wrong which might interfere with the intentions of the leader. There is thus in the positions of power little to attract those who hold moral beliefs . . . Yet while there is little that is likely to induce men who are good by our standards to aspire to leading positions . . . and much to deter them, there will be special opportunities for the ruthless and unscrupulous. There will be jobs to be done about the badness of which taken by themselves nobody

has any doubt, but which have to be done in the service of some higher end, and which have to be executed with the same expertness and efficiency as any others. And as there will be need for actions which are bad in themselves, and which all those still influenced by traditional morals will be reluctant to perform, the readiness to do bad things becomes a path to promotion and power.

THE POLITICAL FORUM

Copyright 2006. The Political Forum. 8563 Senedo Road, Mt. Jackson, Virginia 22842, tel. 540-477-9762, fax 540-477-3359. All rights reserved. Information contained herein is based on data obtained from recognized services, issuer reports or communications, or other sources believed to be reliable. However, such information has not been verified by us, and we do not make any representations as to its accuracy or completeness, and we are not responsible for typographical errors. Any statements nonfactual in nature constitute only current opinions which are subject to change without notice.