

The Political Forum

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

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DO WE HAVE RADICALS GUARDING OUR CULTURAL HENHOUSE?

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By just about any measure, Bill Clinton has appointed an unusual number of people to high positions whose social and economic views are--to use a term employed by the *Wall Street Journal* in reference to the ideas of Clinton's Chairman of the Council of Economic Advisers, Laura D'Andrea Tyson--"nontraditional." Space does not permit a comprehensive defense of this statement, but the following brief examples, I think, are compelling.

o Ms. Tyson has proposed as an "elementary economic principle," the fact that "there is no relationship between the level of taxes a nation pays and its economic performance." She also argues that the "free market frenzy in the United States during the past decade" demonstrates why we should have "collective ownership of firms by groups of workers."

o In keeping with this latter idea, Labor Secretary Robert Reich, advocates, among other things, government policies that promote the concept that employees should become "citizens" of their companies. As part of this idea, businesses would "agree to maintain their old work forces intact," even if they closed plants or diversified into new product lines, in exchange for federal "restructuring assistance."

Companies of the future, Reich says, would replace the federal government as dispensers of welfare, health care, day care and even Social Security. He also advocates a massive federal worker training program described by *The Atlantic* as a "Field of Dreams" approach: "If we train ourselves, they will come."

o Alicia Munnell, who has been nominated to be assistant secretary for economic policy at the Treasury Department, believes that employer contributions to pension funds should be immediately taxed as income to the individual in whose name the contribution is made. Revenue, she says, should be invested in federal public works and educational projects. To make

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up for the fact that we haven't been following this enlightened policy in the past, she would "confiscate" 15% of all current pension fund accumulations.

o Dr. Joycelyn Elders, Clinton's choice for Surgeon General, is a leading advocate of condom distribution in schools. She reportedly kept an "Ozark Rubber Plant" in her Arkansas office, which is in fact a floral design sprouting condoms from its stalks. An attached note reads, "Blooms mostly at night. Blooms vary in length, depending on owner. Blooms may wilt in chilly atmosphere." Elders is also an advocate of abortion on demand, and argues bluntly that abortion foes have to give up their "love affair with the fetus."

o Donna Shalala, Clinton's HHS Secretary, described by *Newsweek* as the "high priestess of political correctness," once described in a speech how Thanksgiving would be for a typical four-year-old kindergarten student in 2004, if only the United States would make it a "top priority in our communities and in our Congress" to make this child think of herself as "being part of the world--not just her town or the United States."

The teacher would tell the little girl a story about how "people from Europe came to the United States, where the Indians lived. She will say 'It was just the same as if someone had come into your yard and taken all your toys and told you they weren't yours anymore.'" The little girl, Shalala said, will "feel sad, but she will be glad to have a day off to play at home and get together with her neighbors. Her favorite story about holidays at school will be at Chinese New Year, when Chang's mother brings a dragon puppet to school."

o Henry Cisneros, Clinton's new HUD secretary, believes that government should do something about the "continued vast special separations between the poorest of our populations, concentrated in public housing in central cities, and the vast differences that exist across our urban geography to the suburbs, which are essentially white."

According to Cisneros, America has to address this situation "very squarely." He says "what we've got to do is break up the concentrations by making it possible for people to live in newly designed, thoughtfully scaled public housing, negotiated with outlying communities, because many of the problems . . . are a symptom of large concentrations of poor people with few role models and no lift."

o In keeping with Cisneros' view that the government should play a decisive role in keeping urban whites from congregating in the suburbs, Norma Cantu, the new assistant secretary for civil rights in the Department of Education, has argued that the school busing law should be interpreted in such a way as to require that a community that has desegregated its schools via forced busing not be allowed to phase out the busing plan until residential integration has also been achieved.

o And finally we have Lani Guinier, Clinton's new nominee to head the Civil Rights Division at the Justice Department. According to the *Wall Street Journal*, Guinier believes that "in a system shaped by irrational, majority prejudice," justice may have to be found in "remedial mechanisms that eliminate pure majority rule." Guinier, the *Journal* says, thinks that the law should enforce "interest proportionality," since "a permanent, hostile, fixed majority" will preclude "interest satisfaction for disadvantaged minorities on issues of greatest concern."

Most of these "ideas" will, of course, not be implemented. Many won't even be considered for a while. Congressional gridlock, that most underrated of all the glories of American democracy, will work its magic on them.

But as Richard Weaver noted in his 1948 book by the same title, "ideas have consequences." And I think it is inarguable that America's on-going cultural war will be intensified by this constant drumbeat of assertions by senior government officials that there is something so profoundly wrong with American society that only extraordinary federal "change" can set things right.

There is little question that a cultural war is on-going. Many Americans for example still believe very strongly that there is a relationship between tax levels and economic performance. Many also believe that corporate America and the federal government should not become too cozy; that the nation's tax exempt private pension system is the only hope for higher savings rates and therefore for higher investment spending; that schools that can't even teach Johnny to read shouldn't be teaching him about sex; and that abortion on demand is carrying things too far.

Many Americans are proud of Thanksgiving and believe that schools might remind students that we honor that day because Congress specifically asked George Washington to establish "a day of public thanksgiving and prayer, to be observed by acknowledging with grateful hearts, the many and signal favours of Almighty God." Furthermore, many people believe that schools might consider following Washington's advise that on Thanksgiving day citizens should "offer our prayer and supplications to the Great Lord and Ruler of Nations, and beseech Him to pardon our national and other transgressions."

Some Americans still believe that people should be allowed to vote with their feet against inept city managers by moving to the suburbs, and that the government shouldn't try to "break up these concentrations of citizens" in the name of some new social engineering scheme dreamed up in Washington.

Finally, some people simple don't think it would be wise to change our voting system in order to specifically empower "authentic blacks," defined by Ms. Guinier, according to the *Wall Street Journal*, not as those people who are "just physically black," but as those people who share a "cultural and psychological view of group solidarity."

Which side will "win" in this war is anyone's guess. But there is no question that the fight to restructure American society has been shifted into high gear by the Clinton administration and that the outcome will determine how we live in the next century.

Lest anyone think I am exaggerating the intensity with which the administration is pursuing "change," I would refer them to an extraordinary interview with Hillary Rodham Clinton by the *Washington Post* last week. Ms. Clinton said much to the *Post* about her plans for America, but the most important statement she made, I think, was when she expressed "a burning desire to make the world around me--kind of going out in concentric circles--better for everybody."

According to the *Post*, Ms. Clinton admitted that "it's not going to be easy, redefining who we are as human beings in this postmodern age." But, the *Post* notes, "in the midst of redesigning America's health care system and replacing Madonna as our leading cult figure," she has already begun working on this project, which, the paper notes, is "far more metaphysical and uplifting."

"She has goals," the *Post* says, "but they appear to be so huge and so far-off--grand and noble things twinkling in the distance--that its hard to see what she sees" as she "floats comfortably above the fray of day-to-day Washington."

I, of course, have no idea what noble things Ms. Clinton sees as she floats over Washington. Personally, I see a fractious decade ahead, as more and more citizens become convinced by Bill, Hillary and other members of their administration that if Washington is just run correctly the world can be made "better for everybody;" that "change" in government will make them happier individuals.

Not only are false expectations created by such promises, but these promises can be harmful, in that they tend to relegate the importance of personal responsibility, the need to change oneself, to a secondary role in the minds of many.

I see an increasingly fractious decade as the federal government promotes multiculturalism, and actively downplays the importance of Judeo-Christian beliefs to our heritage and discourages pure old-fashioned American patriotism.

Regardless of one's views on religion and patriotism, there is widespread sociological agreement that any society's ability to establish justice and ensure tranquility is dependent to a great extent on a commonality of beliefs among its citizens. And no matter how badly some people wish to deny it, most historians agree that America's Judeo-Christian heritage and the widespread belief among its citizens that the United States is the "best country in the world" are the principle glues that have held this unique "melting pot" society together since its founding.

In the absence of common beliefs, a society is not a society at all, but simply a group of individuals who share the same space. History teaches that such groups invariably exist together unhappily, that this unhappiness often leads to bloodshed, and that government efforts to promote tolerance and respect among people with no commonality of interests invariably fail.

In the early 19th Century, Tocqueville noted the importance of religion to social order in the United States when he observed that "while the law allows Americans to do everything, there are things which religion prevents them from imagining and forbids them to dare." I would argue that there is little question today that the waning importance of religion to a large segment of U.S. society allows more and more citizens to "imagine" and to "dare" things that probably never even occurred to Tocqueville.

It is possible, of course, that an enormously powerful federal government could keep U.S. society unified in the absence of traditional patriotism and a common religious base. But even Machiavelli, the quintessential advocate of a strong central government, believed that government alone was not sufficient to hold a society together for long. In *Discourses*, he wrote that "as the observance of divine institutions is the cause of the greatness of republics, so the

disregard of them produces their ruin; unless it be sustained by the fear of the prince, which may temporarily supply the want of religion."

I would stress here that I am not advocating that the government promote either religion or patriotism. I am not advocating that the government do anything. I am simply stating that the character, and therefore the investment environment, of the 1990s will be influenced by the ideas promoted by the government and by the philosophies of the folks who run that government.

I am simply stating that certain consequences can reasonably be expected to result from a government that advocates significant "change," while at the same time discouraging what 17th century English naturalist John Ray referred to as the "cake of custom."

In his most recent book, *The Politics of Prudence*, published by the Intercollegiate Studies Institute (Bryn Mawr, Pa.), Russell Kirk makes the following observations relative to the importance to society of custom and the consequences of its destruction.

"It is old custom that enables people to live together peaceably; the destroyers of custom demolish more than they know or desire. It is through convention--a word much abused in our time--that we contrive to avoid perpetual disputes about rights and duties; law at base is a body of conventions. Continuity is the means of linking generation to generation; it matters as much for society as it does for the individual; without it, life is meaningless.

"When successful revolutionaries have effaced old customs, derided old conventions, and broken the continuity of social institutions--why, presently they discover the necessity of establishing fresh customs, conventions, and continuity; but that process is painful and slow; and the new social order that eventually emerges may be much inferior to the old order that radicals overthrew in their zeal for the Earthly Paradise."

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