

# The Political Forum

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

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## **THREE TALES ABOUT POLITICS IN AMERICA TODAY**

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Many years ago, the Peanuts cartoon strip featured a series showing Snoopy the dog sitting on his house typing the "great American novel." One four-panel strip in this series that I particularly liked went something like this. In the first panel, Snoopy wrote, "It was a dark and stormy night. The butler lurked behind a curtain in the study." In the second, he wrote "The pirate ship sailed into the bay with guns blazing." In the third, he wrote, "As the train entered the dark tunnel, a woman's scream could be heard coming from the club car." In the final panel Snoopy looks slyly to the reader and says: "I'll tie all this together in the next chapter."

I thought about this cartoon last Saturday as I was rummaging through my clip file trying to decide upon a topic for this week. No single story jumped out at me, but taken together several of them formed what I believe is a fascinating mosaic on politics in America today. So I thought I'd follow Snoopy's lead this week, and present these seemingly unrelated stories separately, and then try to tie them all together at the end.

The first two stories are about friendship. Not the kind defined by Lord Byron as "Love without his wings." These stories are about practical friendship, the kind defined by the Duc de La Rochefoucauld in 1662 as "a reciprocal conciliation of interests, and an exchange of good offices . . . a species of commerce out of which self-love always expects to gain something."

These stories are also not about the kind of friendship that exists between mere working-class peons. They are about a higher order of friendship, the kind that flourishes between members of America's new aristocracy, its political elite. In fact, they are about friendships with the President and the Vice President of the United States of America.

The first is a heart-warming tale about three old friends who part ways for a while and then get back together again when they discover that they have a common interest. The tale appeared last

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Friday on the front page of the *Washington Post*. It was a long, above-the-fold piece formally entitled "A Lobbyist's Lucrative Ties to Gore."

The three friends in this story are Al and two of his former aides, Peter Knight and Thomas Grumbly. According to the paper, their friendship goes back almost 20 years, to a time when Al was a young congressman, Knight was his chief of staff, and Grumbly was staff director of the Science and Technology Committee's investigations and oversight subcommittee, which Al chaired.

After 13 years as Al's top aide, Knight went off in 1991 to become a partner in one of Washington's big lobbying law firms, taking time off to run Al's 1992 vice presidential campaign and to work on the Clinton-Gore transition team, where he oversaw sub-cabinet appointments. It was in this position that he got Grumbly a job as Assistant Secretary in the Department of Energy.

Given the hurly-burly press of modern day Washington, these three old amigos might have drifted apart, like Peter Pan and the Lost Boys. But then, like something out of the TV show "Unsolved Mysteries," they discovered a common interest that brought the three of them back together again. What was this interest, you ask? Well, of all things, it was a small hazardous waste disposal firm in Massachusetts called Molten Metal Technology.

The story is too complex to tell in its entirety here. But basically, according to the *Post*, the tale opens in mid-1993, when Knight was hired as a lobbyist by Molten Metal, reporting directly to Vic Gatto, a former Harvard classmate of Al's.

According to the *Post*, in the spring of 1994, Molten's chief William Haney III, at the behest of Knight, donated \$50,000 to help endow a chair in environmental studies at the University of Tennessee, to be named after Al's sister, who died of cancer. Just two days after the donation, the *Post* says, the Energy Department "announced it would expand an existing \$1.2 million research contract with Molten to develop technology for hazardous waste disposal by \$9 million."

The *Post* notes that, of all people, Tom Grumbly, as assistant secretary for environmental management, turned out to be the senior officer involved in the decision. In fact, it reports that "One internal Energy memo, dated November 23, 1993, noted that 'This is the contract Tom Grumbly wants to add \$9 million to.'" (sic)

It should be noted here that, according to the *Post*, this expansion was not a sure thing. In fact, the paper says that one month before the contract was actually expanded, "a written DOE 'progress review' of the Molten contract noted that 'no analytical data/conclusions were available to document [the project's] results' during a late January DOE visit to the Fall River plant." In the absence of such information, the report noted, "it is difficult to reconcile and determine the appropriateness of the invoiced costs, as relates to this contract activity."

Nevertheless, the contract was expanded. And on Earth Day 1995, Al visited Molten Metal's Fall River plant and declared its technology to be "a shining example of American ingenuity, hard work and business know-how." The trip was, of course, arranged by Al's old friend Knight,

who was at that time doing double duty as Al's chief fund raiser. By that time Knight was, the paper says, receiving "\$7,000 a month plus lucrative stock options" from Molten Metal.

According to the *Post*, the trip was a rousing success for all concerned. Haney and his wife agreed to raise \$50,000 for the Gore campaign, and Molten's stock more than doubled in the months immediately following the visit. The *Post* says that press accounts at the time attributed this rise "to the vice president's enthusiastic and explicit endorsement." This, in turn, the *Post* says, allowed Knight to make \$90,000 later in the year by exercising some of his Molten Metal options.

Space doesn't permit me to provide all the details supplied by the *Post* on this story. Suffice it to say that the three friends, and their new found pals at Molten Metal, were able to spend many delightful meetings together discussing ways they could help each other in their battle to "save the Earth," while at the same time looking after their own well-being. Stressing that everyone involved says "they did nothing wrong," the *Post* summed it up this way in an editorial that appeared last Monday.

"Mr. Knight raises campaign funds, most recently for the Clinton-Gore ticket in 1992 and again last year, thereby ingratiating himself and increasing his already considerable influence with people about to be in power. He then hires himself out to those whom he has just dunned; who better than he, who sought, received and delivered their contribution, to help them try to cash in on it? In the interim, he has used his influence to help place in lesser positions within the administration persons to whom he also can turn. Mr. Gore has received his campaign money. The donor, if all goes well, receives a government contract. Mr. Knight receives a handsome fee. Its a three-fer, everyone is a winner."

I don't know about you gentle reader, but the whole thing makes me feel just warm all over.

The details in the second story about friendship didn't appear in one recent article. They just sort of accumulated over the past few months from several separate print sources. One of the friends in this story is Bill Clinton, who has so many friends that the press has grouped them under the acronym FOBs, for "Friends of Bill." The FOB in this case is one Rick Kaplan.

Dedicated readers of these pages may recall that Kaplan's name has appeared in this column on two previous occasions. In July, we noted his sleep-overs in the Lincoln bedroom at the White House ("Three Cheers for Bill," July 30, 1997), and in January, we commented on Kaplan's role, as the former producer of ABC's *World News Tonight*, in squelching network television coverage of various Clinton scandals ("Is the *New York Times* Being Duped by Right-Wing Nuts," January 15, 1997).

Recently, Kaplan left ABC to become president of CNN. But he isn't one to forget old friends, just because he moves up in the world. In fact, according to *U.S. News and World Report*, one of the first things he did upon arriving at his new post was to "raise a few eyebrows by telling CNN staffers to limit their use of the word 'scandal' in reporting on Clinton's campaign fund-raising woes." Scandal, it appears, was too subjective a term for a "serious" news organization such as CNN.

But true friendship, as the Duc de La Rochefoucauld pointed out, isn't a one way street. So, a few weeks later, according to the *Washington Post*, when CNN learned, during the week preceding Princess Diana's funeral, that BBC, "one of only two British organizations allowed to shoot the funeral and procession," had decided not to "share its video with American networks," Kaplan was able to enlist White House aid in remedying the situation.

The *Post* notes that White House Press Secretary Mike McCurry phoned British Prime Minister Tony Blair, and voila, "the conflict was soon ironed out." Needless to say, come Saturday, Kaplan's CNN carried the funeral proceedings in their entirety.

During Kaplan's brief tenure at CNN, his touching loyalty to his friend Bill has been obvious in the network's political coverage. For example, even the *Washington Post* noted that when Haley Barbour, former chairman of the RNC, and bit player in the campaign-finance hearings, appeared before the Senate Governmental Affairs Committee, CNN "went live for most of the four-and-a-half-hour session."

By comparison, when DNC chairman Donald Fowler testified before the committee, CNN televised the hearings for just one hour and forty minutes, despite assurances from, among others, anchorwoman Judy Woodruff that the network's coverage would be fair and unbiased. Yet, it was Fowler, not Barbour, who was caught on video at the White House coffees telling a donor who (illegally) offered campaign donations in the Oval Office, "As soon as this thing is over, I'll call you . . . We'll get it done,"

Further evidence of Kaplan's devotion to his friend Bill, and his causes, was documented recently by, among others, *The Wall Street Journal*. As is well known, Bill and Al have made global warming a big issue this fall. In addition to recently inviting 100 TV weather forecasters to the White House for an indoctrination session, they have strongly supported a UN treaty that proposes to curb the alleged causes of global warming.

The *Journal* reports that on September 10 opponents of the treaty began running ads on CNN and many radio stations. Despite the fact that many traditionally Democratic special interest groups, including the AFL-CIO, were behind the ads, CNN pulled the plug on the campaign. After all, what are friends for?

The third story is another heart warming tale, only this one is not about friendship. It is about growing up, about the "wonder years," so to speak. It's about four people who, in their youth, ran with an impetuous and unruly crowd, the members of which many folks at the time thought were headed for either the gaol or the gallows. But these four individuals fooled their critics. They put aside the speech of children, and entered the mainstream of America's political left.

This story appeared in a Friday *Wall Street Journal* editorial entitled "What's Become of Labor?" The *Journal* says the piece is about the successful efforts of "several left-wing groups to achieve a position of influence in unions since John Sweeney's election as AFL-CIO president in 1995 led to moving out the more moderate anti-communist leadership of Lane Kirkland."

I was struck by the story's account of four former members of the 1960s radical, leftist group called the SDS, who, heeding the advice of German radical Rudi Dutschke, abandoned the barricades and began the "long march" through society's institutions. And lo, their efforts paid off, for today they are once again helping shape American society in their own special way.

These individuals, according to the *Journal*, which in turn cites the newspaper *Forward*, are Michael Ansara, Paul Booth, Ira Arlook, and Heather Booth. Ansara's claim to fame is that he was a player in last year's fraudulent Teamsters union election, which was won by Ron Carey. In fact, Ansara pleaded guilty last month to committing fraud in that contest. Paul Booth is, according to the *Journal*, an official at the American Federation of State, County and Municipal Employees, "who is said to have played a key role in steering support to the Carey campaign."

Heather Booth, the *Journal* says, "works as the Democratic National Committee's liaison to labor." She was also a founder of an organization called Citizen Action, which the *Journal* describes as a "left-wing lobbying group that has been shown in court to have funneled illegal contributions to the Carey campaign after the Teamsters gave Citizen Action \$475,000." Arlook is the executive director of Citizen Action.

Citizens Action, the *Journal* notes, has an affiliate in Wisconsin. One of its board members is none other than Barbara Zack Quindel, the recently-resigned federal election monitor to whom the government paid approximately \$1 million to help assure that last year's Teamsters election was honest.

She, as we all know now, wasn't successful in this effort. Indeed, she was so unsuccessful that the election was nullified and a new one ordered. Shortly thereafter, the *Journal* notes, Quindel had to recuse herself from deciding whether Carey should be allowed to run in a new election "after it was learned that Mr. Carey personally overruled another Teamster official and approved a \$5,000 Teamsters donation" to the New Party, which, according to the *Journal*, is another "left wing political group" in which Ms. Quindel is active.

For what it's worth, the New Party, according to the *Journal*, is the brainchild of one Joel Rogers, a University of Wisconsin professor who believes that "property rights are unequally distributed under capitalism." Many of the party's members, the paper says, "are active Teamsters supporters of Mr. Carey.

The *Journal's* take on this story is as follows: "Free association is a deservedly hallowed right in this country, and the John Sweeneys and Ron Careys of the world can flog whichever politics they choose to (sic). What we've been asking here lately, though, is what justifies all their special dispensations from rules everyone else must abide? They are largely protected from class action lawsuits by aggrieved union members and don't have to give a thought to antitrust laws."

As part of its take on the story, the *Journal* points out that Sweeney is a member of the Democratic Socialists of America, which advertises itself as the largest "openly socialist presence in American communities and politics." This month, the *Journal* notes, "its leaders were embarrassed when it was widely reported that Kurt Stand of the International Hotel and Allied Workers Union and a member of DSA's governing Political Committee had been an active spy for the East German secret police for 20 years." Who knew?

The time has come to tie all this together, which really isn't all that difficult. These stories are about power. They are about too much power being concentrated in Washington. They are, as I pointed out in a recent article, entitled "Campaign Financing Reform Is A Lot Of Hot Air," about how the corruption that is spawned by this concentration of power seeps out beyond the beltway and stains the nation's businesses, its labor markets, and yes, its citizens.

The message from these stories, one that big government liberals have never understood, is that corruption isn't an unfortunate accident of fate, it is the handmaiden of all attempts to achieve utopia via the concentration of power.

This is not a new message. It is an ancient one. One of my favorite delineations of this phenomenon was written by the great French historian, statesman and lecturer, Francois Guizot, in his remarkable *General History of Civilization*, published in 1869. Here's how he put it.

"It is the duty, and will be, I believe, the peculiar event of our time, to acknowledge that all power, whether intellectual or temporal, whether belonging to governments or people, to philosophers or ministers, in whatever cause it may be exercised--that all human power, I say, bears within itself a natural vice, a principle of feebleness and abuse, which renders it necessary that it should be limited."

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