

# The Political Forum

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

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Mark L. Melcher  
Publisher  
[melcher@thepoliticalforum.com](mailto:melcher@thepoliticalforum.com)

Stephen R. Soukup  
Senior Editor  
[soukup@thepoliticalforum.com](mailto:soukup@thepoliticalforum.com)

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### If It Ain't One Thing, It's Another

Mark L. Melcher

Happy New Year everyone. Because it is the beginning of a new year and a new four year term for Bill Clinton, I thought that this week I would present a macro sketch of how I see the political world today. Some of the observations in this piece are somewhat redundant with recent pieces of mine, especially with my "Fearless Forecast" offering of last month. For this I apologize. But I intend to address some of the general threads of this narrative on a more specific basis as the year progresses, and I want to take one more shot at placing them within a larger context before beginning this process.

As I said in the "Fearless Forecast" piece, Washington is in pretty good shape right now, at least from the narrow perspective of the financial markets. For the first time in over 60 years the far left in American politics is virtually moribund. As the new 104th Congress opens, there is no grand talk in Washington about how to expand the government Leviathan. The talk of the town today is how to make government smaller, how much to cut taxes, whether Social Security can be privatized, and how to go about "ending welfare as we know it."

The health care question of the day is how to rein in Medicare spending. No one even thinks about a comprehensive national health insurance plan anymore. Indeed, Hillary Rodham Clinton, the former champion of nationalizing the nation's health care system, is virtually invisible and has been for quite a while. Harold Ickes, her principal ally in the White House for the past several years, and by all accounts the administration's most liberal senior member, has been unceremoniously shown the door. His much vaunted political skills are being used now to plan the inaugural parade. Is this a great country, or what?

A look at the Congressional Democrats reveals that the party leadership is still made up of members of the extreme left; men such as House Minority Leader Dick Gephardt (MO), House Minority Whip David Bonior (MI) Senate Minority Leader Tom Daschle (SD), and Democratic party General Chairman and Senator Chris Dodd (CT).

But these guys are no longer marauding around the countryside like a gang of mixed up modern day Robin Hoods taking from the middle class and giving to the bureaucrats. They are manning

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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](mailto:melcher@thepoliticalforum.com),  
or visit us at [www.thepoliticalforum.com](http://www.thepoliticalforum.com)

the ramparts now, desperately defending their world view against the very word that their leader Bill Clinton once used as his principal rallying cry, "change."

Ironically, the bulk of their time this coming year is likely to be spent not protecting the large "New Deal" and "Great Society" programs, which once formed the foundation of their ideology, but with the largely thankless task of championing a variety of strange, and for the most part politically unpopular, social engineering projects that are of interest only to a handful of powerful minority groups that together represent the nucleus of their party.

The White House is, of course, still occupied by a Democrat. But the liberalism that Bill Clinton brought to the job four years ago has pretty much been beaten out of him. He now openly eschews the liberal label, preferring to call himself a "progressive," whatever that means. And even if he still dreams of creating a better world via big government, it is highly unlikely that he will have the time or energy to mount an offensive. His days, and those of his top aids, are increasingly occupied with handling the many scandals that beset him and his wife, and this is likely to be the case throughout the rest of his days in office.

Some conservatives still fear that the White House will use the vast federal bureaucracy to aggressively promote liberal causes. And while there will certainly be some of this, it is worth noting that the regulatory agencies aren't what they used to be either. The days are over when budgets of the executive branch agencies grew like Topsy year after year. A headline in the *Washington Post's* Federal page recently was, I believe, a sign of the times. It read: "Administration On The Way To Cutting 272,900 Federal Jobs."

Now 272,900 jobs isn't much in the grand scheme of things. But it's a pretty good start. And because the reductions are being realized largely through attrition, their impact on efficiency is probably greater than it would be if it were done, as a well run business would do it, by getting rid of the non-essential and least productive workers first.

I am not saying here that liberalism has been permanently defeated in the great debate over how Americans should order their lives. The left still has firm control over most of the principal institutions that oversee and influence the nation's culture: the arts community, the universities, the public schools, and all of the major media outlets for entertainment and information.

Nevertheless, socialist forces have been on the defensive throughout the world ever since the collapse of the Soviet Union, and America today is no exception. In Russia and China, in England and the United States, the story is the same. Socialism is metamorphosing into various strange hybrid, mock-center ideologies, because evidence is overwhelming that it severely retards economic growth and inevitably exacerbates the social problems it purports to address.

Even the *Washington Post*, which is usually a paragon of left-wing political correctness, acknowledged recently in a front page piece on welfare reform that past liberal policies have been immensely destructive. The article, which dealt with the dilemma of how much better a poor, single mother on welfare can live than one who works (the article says that the woman on welfare can buy her kids "Nike Deions" for \$114.99 a pair, while the other must buy "no-name bubbas" at \$19.95) referred to the neighborhood in which the two women live as follows: "In

these row houses and apartments sprawled at the city's edge, it's easy to see what 61 years of welfare entitlement have wrought."

The legacy of America's decades long flirtation with socialism will live on for many more decades to come in the slums and ghettos of the cities; in the vast Orwellian-like bureaucracies that provide "work" for approximately 16% of the domestic labor force; in a public education system that has been decimated by an unrelenting attack from the left on traditional educational standards; and in the vast accumulations of debt that were the natural bi-product of this massive social engineering project.

This debt represents, I believe, one of the greatest moral transgressions in U.S. history. For what could be more reprehensible than for several generations of Americans to finance an orgy of materialism and a vast array of gargantuan social experiments with so much borrowed money that even the biblical third and fourth generations of our "children's children" won't be able to repay it?

But, without question, the most damaging legacy of the past sixty years of government-directed social experimentation is the societal and cultural decay that grips the nation. I won't expand on this thought here, but would instead refer readers to Robert Bork's remarkable new book, *Slouching Toward Gomorrah*, which graphically traces the roots of America's present day moral collapse to the concerted and remarkably successful efforts by the extreme left to undermine the traditional foundations of American society.

Bork is pessimistic about the prospects of halting what he sees as America's march to Gomorrah. I agree with him that the situation is bleak. But I also believe that the fact that his book made the *New York Times* best seller list is a positive sign. Indeed, I think that evidence abounds that the radical left, which has been attacking traditional American culture and beliefs with virtual impunity since the early 1960s, has been placed firmly on the defensive in recent years by a surprisingly formidable array of intellectual heavyweights on the right, who boast increasingly broad public support and a wide array of alternative media outlets that is growing in popularity and strength almost daily.

In short, I am more comfortable today than I have ever been before that the conservative side has, for the first time in decades, a reasonable chance of holding its own in the years ahead.

In the meantime, as I also mentioned in my "Fearless Forecast" piece, I believe that a new and quite different kind of long-term threat to American society, and to its all-important financial markets, is gathering strength.

There is no conventional "ism" to describe this threat. It didn't spring forth from some widely recognized ideological tract, or from the thoughts of some charismatic individual. The persons involved don't even recognize each other as comrades in arms. They have no common agenda. Indeed, I am probably the only person in the world who thinks of them as a single force.

I am speaking of the appearance over the past decade or so of an extraordinarily large number of huge and powerful international criminal organizations that are, for all practical purposes, state sponsored. That is, they are provided, directly or indirectly, by one or more of the nations where

they make their home, with financial support, safe haven, and access to all of the benefits that accrue to an internationally recognized government. These are the organizations that employ and embrace the world's dope dealers; its traders in illicit arms, nuclear materials and people; its terrorists; and its deeply corrupt "businessmen."

These organizations spring from the social and moral morass left by decades of Communism in such nations as China and the old Soviet Union. They spring from the hate-filled, failed societies of the Middle East, such as Iraq, Iran, Libya and Syria. They spring from the newly emerging "capitalist" nations of Asia and Eastern Europe, where endemic political corruption at the highest levels of government assures that their businesses will be nothing more than criminal enterprises. In short, they spring from a world where in too many places there has been stripped away that "thin coat of varnish" that C. P. Snow once noted was all that lay between civilization and the "horrors beneath."

These organizations represent, in my opinion, a new and very serious threat to America's political and financial system, whether they are attempting to blow up buildings in New York City or airliners over Scotland; setting up elaborate networks to market narcotics to our children; establishing complex schemes to defraud insurance companies, banks and government agencies; penetrating the world's banking and financial networks in order to launder millions upon millions of dollars; or trying to purchase a favorable foreign policy decision at the White House.

In addition to their vast illegal operations, many of these groups control and operate "legitimate" businesses, political front organizations, and "charities" of all shapes and sizes all over the world. These connections give their senior associates "respectability," which along with their "connections" in the high offices of their governments back home and their access to considerable amounts of money, gains them entree to all segments of American society, including for many, the highest levels of the federal government.

In short, these organizations are supported by vast, and virtually inexhaustible, resources, both financial and political. They are amoral. They recognize no religious or legal code. They are completely unscrupulous in their business dealings. Some of them routinely practice murder and extortion. All actively engage in attempts to undermine authority at all levels of government in the countries in which they operate. In short, they have the power, singly and collectively, like world socialism once had, to destroy the edifices of American democracy and its free enterprise system.

Washington is not a high profile target of most of these groups. They operate, for the most part, at the state and local levels, and in the nation's board rooms. In Washington, most of their business is conducted by proxy, by thousands of ubiquitous, nameless, faceless lawyers who carry the water for the rich and powerful from all over the world.

As I have noted numerous times in these pages, there is only one defense against these organizations, and that is honesty and integrity in the nation's executive and political suites. History shows that to be effective this integrity must be firmly installed in the highest levels for, to use an old expression, a fish rots from the head down.

For this reason, a quick look at a few of the names on the White House guest list of the past couple years is discomfoting. There is no evidence, of course, that anything untoward happened at any of these meetings. But the example they set doesn't lead one to be optimistic about what is happening elsewhere in America.

o In October 1993, the White House hosted one Grigori Loutchansky at a dinner. He even had a short private meeting with the President and had his picture taken with him. It made no difference that Loutchansky is a thug. He had one thing going for him, the promise of big money. And indeed, his pal, Sam Domb, a "New York real estate executive," who brought him to the White House, later donated \$160,000 to the Democratic National Committee.

More than a year before his visit to the White House, Loutchansky had been banned from entering Canada because he failed a background check. *Time Magazine* reported that the National Security Agency had found indications that Nordex, Mr. Loutchansky's firm, was engaged in nuclear smuggling. CIA director John Deutch told a Congressional committee that "next to Loutchansky, the Lippo syndicate looks like the Better Business Bureau." What in the world, one wonders, was his kind doing at the White House?

o Jorge Cabrera also made it to the Clinton White House last year for dinner, and had his picture taken with Hillary. Cabrera, who is currently serving a 19-year sentence in Florida for smuggling cocaine, had donated \$20,000 to the Democratic Party. What in the world was his kind doing at the White House?

o Abdulrahman Alamoudi, executive director of the American Muslim Council, has been to the Clinton White House numerous times, as have several of his associates. This despite the fact that the group he heads has, according to a lengthy article in the *Wall Street Journal* by Steve Emerson, one of the nation's leading experts on Islamic terrorist groups, extensive ties to such groups, most especially with the notorious Hamas, which is responsible for the deaths of hundreds upon hundreds of innocent people. What in the world, one wonders, was someone like him doing at the White House?

o Wang Jun was another recent White House guest. He attended an "intimate" half-hour long "coffee klatch" with the President. He is another shady character. He heads a weapons trading firm that is owned by the Chinese military and an investment conglomerate with worldwide assets of \$21 billion that is owned by the Chinese Communist government. A week before the gathering, Beijing sold ship-to-ship cruise missiles to Iran and, according to intelligence sources, probably also sold nuclear weapons-related equipment to Pakistan.

But Wang Jun has friends with money, including Charles Yah Line Trie, who runs a restaurant in Little Rock and another one in Beijing. Charlie Trie, as he is referred to by the White House, calls our President Lao Ke, or "Old Clinton." This is, the press says, a Chinese term of familiarity, although Hillary said she didn't remember who he was when she first heard about a \$640,000 cash donation he made to the Clinton Defense Fund, but which was later returned because the sources of the money didn't check out.

The White House said Bill had no idea who Wang Jun was when he met him. "If anyone had any clue, we would have strongly advised against him being invited," Michael McCurry said. In

a strange sort of way, this might make some sense, since, for some reason, Wang Jun's name wasn't run through the National Security Council files as is normally done. Although one wonders why "Old Charlie" didn't tell "Old Clinton" what an important guy his friend was.

o Charlie Trie has, of course, been to the executive mansion on many occasions, as has his friend and fellow super fund raiser, the elusive John Huang. Huang, who was a big shot at the Commerce Department for a while, was once described by Mochtar Riady, the founder and primary owner of Indonesian-based Lippo Group, as "my man in Washington."

These men have raised millions of dollars for the Democratic Party. Both have extensive ties to business men and women all over Asia who have benefited greatly from decisions made by Bill Clinton since he became president, including, but not limited to, the establishment of the Grand Staircase Escalante National Monument in Utah, which, according to press reports, locked up the most valuable deposits of environmentally friendly coal in the world to the benefit of the second largest deposit, the South Kalimantan coal field in, of all places, Indonesia.

o Finally there is frequent White House guest Arthur Coia. He is a domestic figure. He is the head of the Laborers' International Union of North America (LIUNA), which a 212-page complaint drafted by the Justice Department attorneys in November 1994 claimed is "infiltrated at all levels by corrupt individuals and organized crime figures who have exploited their control and influence over the union for personal gain and to the detriment of the union." The report also noted that "LIUNA union officers and employees at all levels, including the general presidency [Mr. Coia] have been chosen, subject to the approval of, and have been controlled by, various members and associates of organized crime."

But the union has money and it is generous. Indeed, Common Cause says LIUNA has contributed more than \$800,000 in "soft money" to the Democratic National Committee since Bill Clinton became president. In addition, the union's political action committee has donated more than \$2 million to Democratic congressional candidates since 1993. Also, Mr. Coia co-hosted a 1994 DNC \$1,500 a plate fund-raising dinner, attended by Bill that raised \$3.5 million. And he served as Vice-Chairman for a 1996 DNC gala that raised \$12 million.

This means that the union also has friends in Washington. In fact, according to a recent extensive Heritage Foundation report, numerous federal departments and agencies gave LIUNA nearly \$30 million in federal grants during the 1994 and 1995 fiscal years. And in February 1995, Hillary gave the keynote address at the union national meeting at the Fontainebleau in Miami Beach, a week after which the Justice Department announced an unprecedented agreement with the union that, according to the *Washington Times*, "essentially empowered Mr. Coia himself to clean up the mob-ridden union." Such a deal!

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