

The Political Forum

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

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HONESTY MATTERS, NOW MORE THAN EVER

Mark L. Melcher

Twenty years or so ago, I wrote the first ten or 12 chapters of what I was sure then would eventually become the Great American Novel. The story, which for a variety of reasons was never finished, was to have been an account of the adventures of a Department of Agriculture bureaucrat named Harry, whose life was thrown into chaos when nefarious agents of both the CIA and the FBI tried to make him a scapegoat in the Watergate affair.

I had intended the story to be hilarious, in the dark-humor genre of Celine and Heller. But it was also to have supported the serious, even grave, thesis that the president of the United States sets the moral tone for the nation: that during periods when the president is unethical, the citizenry becomes less attendant to moral principles and society suffers.

I bring this up this week because, with the election campaign about to swing into high gear, and with Bill Clinton carrying the Democratic standard, it is pretty clear that the question of whether presidential integrity matters is certain to be once again, as it was in 1992, the focus of national debate.

Back in the early 1970s, believe it or not, the liberal mainstream media claimed to believe quite strongly that it does matter. In fact, *Washington Post* owner Katharine Graham and her trusted Executive Editor Ben Bradlee, a close friend of Jack Kennedy, relied heavily on this concept to justify, in lofty moral terms, their crusade against Richard M. Nixon. By leading the charge against the Nixon presidency, they implied that they had not simply helped to run a scoundrel out of Washington, but had in fact helped preserve the moral fiber of the entire nation.

There is, of course, considerable room for argument about whether Graham and Bradlee were inspired by altruism, as they maintained, or by the simple desire to sell newspapers, or by pure political partisanship. But their claim was widely credited because it was not unusual at the time to run into people who sincerely thought that a president who engaged in questionable ethical activities was bad for the nation.

Today, it would appear that a significantly smaller number of people believe in such a quaint idea. Indeed, the concept advanced approvingly by Clinton's former Surgeon General Jocelyn Elders, that "everyone has different moral standards," probably has at least as many proponents

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today among the general public.

Yet, vestiges of respect for men of integrity still pop up occasionally in the most unlikely places, as when a surprising number of Clinton supporters from the liberal press publicly lamented Colin Powell's recent decision not to run for president because, they said, they believed his "high moral principles" made him uniquely qualified for the job. Go figure!

I, for one, still think that a president of questionable ethics would be bad for the nation's soul. In addition to believing in this rather abstract concept, I also believe that, for very practical reasons, it is crucial that the United States have, at this particular time in its history, a president whose moral character cannot be questioned.

I believe this because, as I have said in previous articles, I think that one of the most dangerous threats to American liberty and freedom today, one which supersedes the communist threat of just a few years ago, is the spread of corruption into the highest levels of the nation's power structure.

If I am right about this, then the fight against this menace, to be effective, must be waged, I believe, from a very high level within this structure, namely by the president of the United States. And if this is to be done effectively, I believe it must be done by a President who is not corruptible himself.

Skeptics can scoff at this if they wish. But the fact is that the drug trade alone in the United States today is estimated to generate between \$10 and \$15 billion annually, and anyone who believes that all this money is going into the hands of a group of fat, mustachioed, South American drug lords with gold chains hanging around their necks, or to the kids who are selling the stuff on the street corner, is out of touch with reality.

Simple logic should tell even the most casual observer that the disgusting leviathan of the drug trade, including the money-laundering business that is its stepsister, is kept afloat and healthy via widespread direct infiltration into legitimate businesses across the land, including some of the nation's largest banks and financial service companies.

Logic would also dictate that this direct infiltration is supplemented by the payment of huge, truly huge, sums of money and by the provision of valuable favors to politicians, prosecutors, and judges in federal, state, and local governments, and to bankers, businessmen, lobbyists, and lawyers, many of whom almost certainly reside in the top echelons of American society.

Reliable sources estimate that giant international criminal organizations generate several hundred billion dollars of business per year worldwide. These gangs are powerful and independent. There are hundreds of them. They blend into the legal economies and governments in those nations from which they leach their sustenance. Due to the rise of global cities and modern telecommunications, they operate freely across borders, forming and dissolving alliances of convenience with other criminal gangs and also with political and pseudo-religious terrorist organizations.

Many operate in almost complete safety from corrupt bases in their home countries. There is considerable evidence that massive, organized corruption is already endemic in Russia, China, Mexico, and Colombia, and new names are being added to the list each year. Finally, it should be noted that the business of these organizations is not confined to drugs alone, but includes such enterprises as the trafficking in nuclear materials and sophisticated technology, pornography, and illegal immigration schemes.

As William Olson, from the Senate Anti-Narcotics Caucus, points out, these gangs are

organized, violent, business-oriented, and globalized. Most are ethnically based, which makes them extremely difficult to penetrate. And, he notes, they are corrupters: "They corrupt both business and government."

From the narrow standpoint of the investment industry, it is, I believe, a certainty that, unless a concerted and well-financed effort is made soon to curtail the spread of this pollution, the American financial markets, which thrive because of their worldwide reputation for honesty, will be irreparably damaged.

It would be comforting to believe that the occasional well-publicized arrest of some top "drug lord" in Mexico or Colombia is evidence that headway is being made in the fight against these organizations. But, as I said a few months ago in another article, it is just as probable that this is evidence that the business is just moving to a better neighborhood: that the old thugs have simply become an embarrassment to the new proprietors, many of whom were educated at some of the best universities in the world and have learned of better ways than overt violence to gain influence in the societies where they ply their trade.

In short, it seems to me that if the spread of this corruption is to be halted, the initiative will have to emanate from, as I said earlier, the president of the United States. And it must come from a president who has the kind of moral authority that instills confidence in those who join him in the fight, including leaders of other nations, that he is uncompromisable. If the United States were to become another banana republic, with a corrupt executive branch, then the battle will be lost.

Another reason I believe that it is extremely important for the United States to have a particularly honest president at this point in time is that the media no longer acts effectively as an aggressive watchdog against corruption in high places, and this leaves the nation vulnerable to its spread.

History records that America's founding fathers were extremely mindful of the importance of the watchdog role of a free press. This was a common notion among Englishmen of the day, dating at least as far back as 1644 when Milton wrote the remarkable *Areopagitica*, which was delivered in support of freedom of the press before the famous Long Parliament, during the early days of the English Civil War. Milton's plea to the Presbyterian majority was for the revocation of the order requiring the licensing of printing in England. It went as follows:

And though all the winds of doctrine were let loose to play upon the earth, so truth be in the field, we do injuriously by licensing and prohibiting to misdoubt her strength. Let her and Falsehood grapple; who ever knew Truth put to the worse in a free and open encounter.

Tocqueville also commented favorably several times on the importance of the role of the press in keeping politicians honest, most directly when he said, "It's [the press's] eye is constantly open to detect the secret springs of political designs and to summon the leaders of all parties in turn to the bar of public opinion." Evidence abounds today that the threat of such a summons has diminished considerably since Tocqueville wrote in the 1830s.

Space doesn't permit a comprehensive defense of this statement. But does anyone really believe that the entire mainstream press of even 20 years or so ago would have completely ignored the kind of softball lead handed to them by Michael Chertoff, the Majority Counsel for the Senate Whitewater Committee, when he implied recently that Webster Hubbell, a close friend of Bill

and Hillary Clinton and former number-three man at the Department of Justice, might have received a large amount of money, immediately before pleading guilty and being sent to jail, from a giant Indonesian conglomerate that once owned a large share of an Arkansas bank, that was tied up in the BCCI scandal, and whose founder is a close friend of the Clintons?

The *Wall Street Journal* devoted at least a third of its editorial page to this subject immediately after Chertoff's surprising question to Mr. Hubbell. But the news section of that paper, which presumably has individuals described as "investigative journalists" on its payroll, appears to have completely ignored the subject.

This comes as no surprise, in my opinion, given substantial evidence that the *Journal* has no stomach for any sort of investigative journalism that might touch "people in high places" in Washington. Indeed, the *Journal's* news department regularly places its coverage of the Whitewater hearings in the "Legal News" department in the third section of the paper.

Perhaps the most amusing example of the sad state of investigative journalism in America today was a front-page piece in the editorial section of the *Washington Post* on Sunday, March 31. The story began with the declaration that the "conventional wisdom" that "American politics is not nearly as corrupt as it once was" is "due for an update." It followed up on this promising lead with some examples of "dirty tricks" used in recent congressional campaigns, the existence of which the authors said, proves "the case for the persistence of corruption in our politics" like nothing else. Once again, go figure!

There are, of course, still some superb investigative journalists working in the United States today, such as Christopher Ruddy from the *Pittsburg Tribune-Review*, Ambrose Evans-Pritchard from the London *Sunday Telegraph*, John Crudele from the *New York Post*, and James Ring Adams for the *American Spectator*. But there would appear to be virtually none doing any significant national investigative work in the mainstream media, which largely dictates what is and what is not "news" for the bulk of Americans.

A common explanation for this is that the mainstream media is dominated by a liberal perspective, and is therefore averse to looking too deeply into the foibles of a Democratic president. There is probably some truth to this, but if so, all it does is support my thesis that honesty in high places is of increased importance today because the watchdog role of the mainstream press can no longer be trusted.

In any case, I think there is at least one other reason why the mainstream media are less than enthusiastic about continuing this traditional role, namely that the very nature of the media has changed substantially in the past few decades, as a result of the growing influence of non-print information sources and the ownership of many of the nation's major news organizations by giant conglomerates.

The primary interest of these giant news and information networks is to make money, not to expose corruption in the interests of the "public good." Indeed, such a venture could be damaging since all of these organizations have huge financial interests around the globe, which could be put at risk if their "news" rises very far above the level of "bland."

A comprehensive rundown of media ownership in America is probably not necessary here to document this point. But it is instructive to note that Rupert Murdoch, who owns the Fox Television Network and News Corp. (which enjoys a big investment by MCI Communications), is working on a deal with Tele-Communications, Inc. (the nation's number-one cable firm, which also has a deal going with Sprint and owns part of Turner Broadcasting) to form a worldwide

sports channel, to challenge ESPN, which is owned by Disney, which also owns ABC.

Turner's operation is, of course, being bought by Time-Warner, which owns the Book-of-the-Month Club. US West owns a piece of Time-Warner, but a larger piece is owned by Seagram, which owns the majority of MCA, Inc., the giant book, record, and movie producer, which is partly owned by Matsushita Electric Industrial Co. Westinghouse owns CBS, of course. And General Electric owns NBC, which is teaming up with Microsoft to form a new cable news channel hooked into some sort of on-line service. Simon & Schuster and MTV are owned by Viacom, a chunk of which is owned by NYNEX.

One result of this trend was stated succinctly recently by Andrew Blau, director of the Communications Policy Project at the Benton Foundation, a Washington-based think tank: "Rather than dictating what you should think, media consortia are really being organized to influence what you should think *about* [emphasis in the original]."

Interestingly, I think, that one of the things none of these groups wants anyone to think about is corruption in high places, given that these high places help keep them operating with a minimum of interference from the law. And we're back again to the thought that integrity at the highest levels is imperative right now.

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