

# The Political Forum

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

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### THERE'S NO PLACE LIKE HOME

Mark L. Melcher

As Greg Smith probably mentions in his accompanying article, the two of us spent election week traipsing around Europe trying to convince skeptical investors there, as we have done annually for over a decade now, that the American equity market is a great place to put their money.

I cast an absentee ballot for Bob Dole before leaving town, and I would like to have seen him win. But I must admit that I wasn't greatly disappointed when he didn't. The fact is that I can truthfully say that I never doubted that the GOP would retain control of both Houses of Congress, and this made the prospect of a Clinton victory much less frightening.

In addition, I had come to believe that there are a variety of reasons why a Clinton win might prove, in the long run, to be a very good thing for both the "Grand Old Party" and the nation as a whole. They are as follows.

o First, it significantly increases the odds that Republicans will make excellent gains in both the Senate and the House in the 1998 election.

o Second, it puts the Democrats in the position of having to take the lead in presenting solutions to a number of difficult social and economic problems that must be addressed in the next four years. These include, but are not limited to, the politically explosive financial troubles facing both Medicare and Social Security.

Not only is this good politically for the GOP, but it represents, I think, a certain amount of poetic justice. Bill and his fellow Democrats maintained throughout the campaign that they could address these problems without inflicting the kind of damage on the elderly and the poor that they said Republican proposals would. And, of course, they said they could do it without raising taxes and while balancing the budget. So now the world will get to see if they can.

o Third, Bill's victory assures that the nation will get to witness the final acts in the great morality play that the Clinton presidency has come to represent. Yes, of course, the wheels of

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justice would have continued to turn if Bill had been defeated, and eventually Whitewater, Lippogate, Filegate, the Paula Jones affair, and all the other related scandals, would have been resolved one way or the other.

But somehow I believe that society will benefit more if the drama unfolds in the full splendor of celebrity coverage, rather than in the dim reaches of NoWheresVille, Arkansas. This isn't a novel thought on my part. I remember well, when President Nixon was forced to resign, how pleased the *Washington Post* and the *New York Times* were about the wonderful "lesson in Democracy" that the public airing of his dirty laundry provided for the masses. Why deny them another such chance, asks I? As Huck Finn would say, "By jings, that'll be gay, Tom!"

Indeed, if Bill had lost, it would have been, I believe, almost as though ABC had suddenly canceled its long-playing soap opera *General Hospital*, and left the fate of Luke and Laura forever unresolved. The public has come to know these people. The people have a "right" to see them play out their roles in public.

Will Susan McDougal talk? Will Bill pardon her if she doesn't? Will Hillary be indicted? Will Bill pardon her if she is? If he does, will the Republicans dare move toward impeachment? What is Jim McDougal telling Special Prosecutor Ken Starr? Does Starr care what McDougal tells him? Does Ken Starr care about anything? Which dopes knew about the dope trade in Mena? Did Bill trade MFN for China and a favorable ruling on East Timor for campaign contributions? How about Bernie and Harold and George and Mickey and Patsy and Maggie and all the rest? What did they know and when did they know it? Will any of them go to jail? Will any of them sing to Starr? Does Starr want them to? What really happened in Fort Marcy Park the day that Vince Foster's body was found there? What went on in that hotel room between Bill and Paula? Does Bill really have "distinguishing marks." Is Alfonse alert? Tune in next week . . . and the week after . . . and the week after.

o Finally, I believe that Bill's victory, marked as it was by a sharp move to the center, confirms what I have been saying in these pages for a long time: that classic American liberalism's "long march through the institutions" of society, as prescribed by the 1960s German radical Rudi Dutschke, has finally been slowed considerably by a series of road blocks.

Among other things, these include \$5 trillion in government debt; widespread public antipathy toward higher taxes; a growing public awareness that many of liberalism's most visible programs are either doing more harm than good, or costing way too much money; and outright public antagonism toward some of the most visible icons of social liberalism, including aggressive affirmative action, multiculturalism, and anti-family initiatives.

It is true I think, as I said in an article last July entitled "America, Inc.?", that liberals are already pursuing new pathways to the Utopia they so desperately seek, and that these paths are just as threatening to traditional American society as the old ones.

But that is an issue for another day. I don't want to rain on last week's perfectly good parade. From the very narrow viewpoint of the financial markets, the election went well. A Dole victory would have resulted, I believe, in quicker action on tax cuts, capital gains cuts, regulatory reform, a balanced budget and slower growth in government spending than will occur with Bill

Clinton in the White House. But with Clinton weakened by on-going investigations into widespread allegations of ethical and legal wrong-doing, and the GOP in control of Congress, most of these things will occur eventually anyway.

In the meantime, it's great to be home. I like Europe, and I like the Europeans. They are always great hosts: friendly, courteous, kind and interesting. But their governments are too big for me; their huge social programs too economically stifling; their propensity for collectivism and their fear of competition too great; and their indifference toward corruption and ethical slovenliness in politicians is frightening.

In short, their politics and their economics always awaken in me all of the fears I have for the United States. I always return with two questions on my mind. The first is, how could a group of nations that once achieved economic greatness by following the wisdom of Adam Smith pursue so aggressively today the nonsense espoused by the likes of Marx and Fourier? The second is, just how far behind them are we?

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