

The Political Forum

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

Mark L. Melcher
Publisher
melcher@thepoliticalforum.com

Stephen R. Soukup
Senior Editor
soukup@thepoliticalforum.com

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THE COMING REPUBLICAN APOCALYPSE

Mark L. Melcher

One of the most important exercises that investors perform is to constantly monitor what political, economic and social changes are in the works that will affect the business community, either negatively or positively.

I thought about this a lot last week as I watched the Democratic convention and heard several prominent, well educated, well informed, and presumably thoughtful Democrats predict, both directly and by inference, that if Bob Dole were to be elected in November a great many horrible things would happen, some of which would provide excellent investment opportunities should they actually transpire.

Illinois Senator Carol Mosely-Braun, for example, made it clear in an interview with CNN that she believed that Clinton must be reelected so that he could make changes in the welfare reform package he had recently signed so that "children would not starve." Actor James Olmos, in an opening night address, strongly implied that Clinton must be reelected if the epidemic of "children killing children" is to stop.

Now I personally doubt that any more children will starve in the United States, or be shot by other children, under a Dole presidency than would if Clinton were reelected. Nevertheless, Moseley-Braun is among the most intellectual of Senate Democrats, and while Mr. Almos isn't really a cop, he played one on television. So attention must be paid!

Thus, I think it is worth keeping in mind, as election day approaches, that if Dole begins to take on steam one might not want to own Gerber, Nike, Mattel, Toys-R-Us or any disposable diaper maker, such as Proctor & Gamble. Presumably, none would do well in an environment in which children are starving.

The nation's elderly would also be in great danger should Dole be elected, according to Democrat after Democrat, since the man from Kansas would devastate Social Security, Medicare and

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The Political Forum

8563 Senedo Rd., Mt. Jackson, Virginia 22842
Tel 540-477-9762, Fax 540-477-3359, Email melcher@thepoliticalforum.com,
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Medicaid. This would be bad for the drug companies and presumably for shuffleboard equipment manufacturers. On the other hand Ralston-Purina could be a major B-U-Y!

Other presumably serious Democrats projected all week that massive environmental devastation would follow in the wake of a Dole presidency. An obvious response to this would be to short the environmental clean up stocks. It might also be a good idea to make a big bet on commodity price deflation, as loads of timber, gold, copper and the like would almost certainly flood the market.

No Democrat actually said it, but it occurred to me that some of the gold might come out of Yellowstone National Park, which would be kind of neat, especially if the habitats of lots of wild animals were destroyed in the process. I have it on good authority that Newt Gingrich often wakes up in the middle of the night screaming, "Kill the elk!"

Electric utilities, industrial manufacturers and big chemical firms would presumably be able to dramatically lower their costs under a Dole regime by ignoring environmental considerations. And of course, hospital management firms could be a big buy, since people would become sick in droves as environmental decay set in. Health insurance firms would probably suffer.

Another big prediction among Democrats last week was that a Dole presidency would lead to a collapse in the nation's educational establishment. Now, given that this destruction would take place within a system that is already in shambles, it is likely that illiteracy would be the norm within a matter of a few years. This is a clear sell signal for textbook maker Houghton-Mifflin. In fact, all book publishers would probably be in trouble.

On the bright side, I would think that video game manufacturers and TV sit-com producers would do very well. The more ignoramuses the better for these guys. All of this would presumably be very bad for the high-tech companies, which need a constant supply of well-educated new employees. Their plight would be especially severe since they would have trouble hiring smart immigrants as replacements. According to Democrats last week, the nation's immigrants would be starving along with the children, should Dole occupy the White House.

The other thing that was predicted with great certainty by many, many Democrats last week was that "the rich" would become extremely rich under Dole and "the poor" would become desperately poor. This is a clear buy signal for Chris Craft, Mercedes and, of course, Tiffany, which would benefit from cheap gold and lots of rich people.

Families, lots of Democrats decisively predicted, would suffer great hardship under Dole. This predication was part of the so-called "family values" theme that most commentators attribute to Dick Morris, a former close strategic advisor to the Clintons, who is no longer with the campaign.

Many investment ideas spring to mind when one hears that families will be a thing of the past if Dole is elected. One response might be to dump Chrysler, which sells lots of minivans, a favorite vehicle of families.

Other auto producers might do well however, since Al Gore would not be around to keep them in line. Al, you see, is by all accounts the only force standing between the makers of the horseless carriage and national destruction of apocalyptic proportions. He, you might remember, was the person who first informed a startled world, in his mesmerizing book, *Earth In Balance*, that the automobile poses "a mortal threat to the security of every nation that is more deadly than that of any military enemy we are ever again likely to confront." Al, by the way, called Bob Dole a pessimist last week.

Speaking of Al, it is worth noting that he also told Democrats last week that he "truly believes" that under a Dole presidency "our personal and religious liberties would be in danger." I guess he is predicting the imposition of a police state, which means one might consider buying firms that run jails and make law enforcement equipment.

But the speech that truly shocked me was the one by former New York governor Mario Cuomo, who, it is worth keeping in mind, knows a great deal about the consequences of bad government, having witnessed it first hand for many years. Cuomo's speech was so pessimistic about the consequences to the nation if Dole were to win, and Congress were to remain under Republican control, that I confess I could not find no buy signals in the entire speech, unless perhaps one could find a firm that makes those little capsules that spies walk around with under their tongues, known in the trade as "L-pills."

Cuomo, like many other Democrats, unsmiling and looking for all the world like a Puritan at a witch burning, spoke of "children in pain" and environmental horrors. But the specific Cuomo charge that kept me awake most of the night was when he warned his fellow Democrats, in the gravest of tones and with great rhetorical flourish, that Republicans "ladies and gentlemen, brothers and sister," were a "real threat to our women."

Our women? What I wondered did Mario think Republicans would do to Democratic women should they gain the White House? My dreams that night were haunted with visions of Romulus and his men ravaging the Sabine women, of powerful Republican politicians instructing policemen to bring innocent Democratic secretaries up to visit them in seedy hotel rooms, and of the many nights my family, including my own lovely daughters, had spent as guests in the homes of Republicans, sleeping in rooms with doors unlocked. Thank God, I thought, that my little girls were not Democrats, and were therefore safe from those Republicans.

I awoke the next morning, opened wide the window, and declared loudly, for all the world to hear, "I know not what course other Republicans may take, but as for me, I will never harm Mario's women."

What was truly remarkable about those assembled Democrats was how well they were able to "stick to the issues," and avoid any "personal attacks," as their President said they must. I frankly don't know how they did it, given that their foes are the kind of people who would starve babies, who hate oldsters and the environment, who would harm "their women," and who would send the brown shirts marching down Pennsylvania Avenue. In any case, I, a Republican, duly appreciated their restraint.

Prudent investors should, of course, consider several factors before adjusting their portfolios in line with the above analysis.

The first, of course, is the possibility that these assembled Democrats were simply wrong about the possible ill effects of a Dole presidency. As I indicated earlier, I think that might be the case. But then, I am a Republican, so perhaps I am too close to the situation. Who knows?

It is also possible that at least some of these Democrats were engaging in a bit of hyperbole. Personally, I doubt this, for they looked to me to be a uniformly serious, and frighteningly humorless lot.

Nevertheless, it should be pointed out that several leading liberal columnists, who know a great deal more about Democrats than I, said they thought much of the convention was fiction and pose, so it is possible that I am wrong.

The *Washington Post's* senior political editor David Broder, for example, in a piece entitled "The Convention vs. the Reality," maintained that the convention had been "taken over by a gang of movie producers who have replaced the politicians with celebrities (in or out of public life) and scripted them to tell moral parables reflecting on the goodness of Bill Clinton or the wickedness of Republicans." The convention, he said, was "awash in sentiment" and "devoid of common sense."

Mary McGrory, the *Post's* senior, female political columnist for many decades, described the convention in a piece entitled "The Party of Wretched Excess," as "soggy." She said it was an "empty exercise;" that it was "one of the best reasons yet advanced for putting them [Democrats] out of their misery;" and that the "real symbol" of it was not the macarena dance, "but the sodden Kleenex."

Finally, Meg Greenfield, the doyenne of Washington's liberal columnists (I used to read her back in the early 1960s in Max Asconi's magazine called *The Reporter*), in a piece entitled "The Family Values Party," said the convention gave her "a feeling that something kind of awful and discomfiting and not quite true was going on."

She described the convention's emphasis on "family values" as entirely political, "an attempted manipulation of the voters, a politically inspired show." Greenfield said, "Yes, there were moments of genuine emotion that had a legitimate place in the convention." But there were, she added, "more--many more--that were superfluous and hokey."

When considering the views of these three columnists, it should be kept in mind that they and a whole bunch of other mainline liberals are extremely angry right now at Clinton because he decisively outsmarted the lot of them in the fight over the signing of the welfare reform measure.

In my opinion, Clinton's handling of the liberal wing of his party on this issue was one of the most brilliant political moves I have ever witnessed.

Meg Greenfield was less generous. She said that she couldn't understand how the White House could "claim the primacy of family values . . . especially as they relate to minor children, and at

the same time go along with a so-called reform of welfare that is likely to make the lives of so many already poor kids poorer and worse."

Broder called Clinton's handling of the welfare reform legislation "stunning in its sophistry." He described it this way.

Because President Clinton signed a bad welfare bill, Mario Cuomo and Jesse Jackson and a host of lesser lights have proclaimed, it is even more important to reelect him and give him a Democratic congress.

Otherwise, they say, there is no rescue in sight from the threat to perhaps a million children and to thousands of legal immigrants who will be denied help--because of the bill Clinton signed.

If you think Clinton should be rewarded with a second term for that, you have to believe that Jack the Ripper should have been given a scholarship to medical school.

I don't know, of course, whether Broder believes that Jack the Ripper should gain a scholarship, but I do know that he, along with Greenfield and McGrory, will certainly wind up strongly endorsing Clinton for reelection. And therein lies the story. Clinton snookered them and they know it, just as Cuomo, Jackson and presumably, Mosely-Braun, know that they too were snookered. And none can do a thing about it, as Clinton certainly knows.

Even Senator Patrick Moynihan, who was so angry that Clinton signed the welfare reform package that he was still sputtering last week when asked about it, has said he will support Clinton for reelection. Unlike Cuomo, Jackson and Mosely-Braun, he rejects the notion that the bill can be fixed. His reason for supporting Clinton is that Dole would be worse.

In the final analysis, of course, whether any of the horrible things that Democrats predict will happen if Dole wins depends on whether Dole wins. I have been one of small minority of people who thinks he will.

There will be plenty of time to debate this point in future articles. In the meantime, on the off chance that I may be right about a Dole victory, and that the Democrats may be right about the consequences of such a victory, it might be wise to take a close look at a company called Service Corp. International, one of the largest funeral services providers in the nation. In an era of starving kids, elderly and immigrants, it might be a good buy. As John Heywood would have said, it is an "ill winde that bloweth no man to good."

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