

INSTITUTIONAL ADVISORS

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## ELECTION POST-MORTEM

As the saying goes, the Democrats piqued too early. Beyond this, the world's antagonism, in some cases outright hatred, for George Bush in a rather startling fashion ostensibly created a powerful union.

Liberals have united in a nihilistic fashion!

For generations, the rallying cry has been "*Liberals of the world, unite. You have nothing to lose but both sides of the fence!*" Along with this was the question to a liberal – *Can you perceive a world that needs no more reform?* The ironical implication is, of course, that at that theoretical point a liberal would become a conservative. The answer typically was a firm no. Considering that the "progressive" movement started around 1900, the response suggested that even after most of a century, reform existed for reform's sake. Of course, any idea that expanded the power of the state was promoted as reform.

Intrusion upon private life took on a life of its own and after a hundred years the progressive movement has corrupted nineteenth century liberalism into twentieth century socialism. Instead of defending the sovereignty of the individual, modern liberals have been building a powerful combination of church and state, with the theocracy of interventionist economics providing the priesthood. What was needed to overwhelm a long tradition of freedom and accountability has been the sales pitch that the state was both a wish machine and a forum for the tantrum generation.

As well intended as this movement has been, the unintended consequence has been that the original raison d'être of the state, which is to protect the individual, becomes considerably diminished. Or, even worse, political parties such as Democrats or Canada's Liberals, have been hostile to the military or police in their essential role of protecting society from physical harm.

Then came the atrocity of 9/11 in 2001 and, with that, the realization that the liberal culture, in its drive for social perfection through big government, was found sorely inadequate.

The hatred for Bush, then, is the hatred for someone who has been forced by fate to remind society that the first role of government is defense of the

individual and, as General Douglas MacArthur observed, "***Wars are caused by undefended property.***".

Amazingly, for the first time in their insidious history, Twentieth Century liberals have gotten off the fence. They are definitely united in strongly resisting any change to their orthodox world. Moreover, the movement has corrupted Nineteenth Century liberalism of the sanctity of the individual to top-down government run by the elite. Whether it's in Old Europe or the vicious triangle of Boston, New York, and Washington, D.C., it has fought the political reform that swept the world beginning in Poland in the early 1980s and symbolized by the fall of the Berlin Wall in late 1989.

Regrettably, in their anger, modern liberals have become reactionary conservatives.

Post-Vietnam appeasement culture and its emasculation of various U.S. intelligence and security agencies made the World Trade Center and, for that matter any such symbolic targets in the world, undefended. This has been the same condition of weakness achieved by the 1930s' appeasers, as led by Prime Minister Chamberlain and Lord Halifax, as they weakened democracies and deliberately and by stages empowered Hitler and his National Socialists (*Nazional Sozialismus*).

It is possible that the Republican victory for the White House and Congress will thwart today's appeasement movement from prevailing as it did through the 1930s. Beyond this is that the election seems to indicate another step in the political reform that started in the 1980s when Lech Walesa, Margaret Thatcher, Ronald Reagan, and Pope John Paul earned extraordinary positions in political history.

That we are within one of only three great political reforms in 2,000 years was outlined in last week's speech to the CMRE annual dinner. This included a line about the struggle "[B]etween those compelled to bring yet more intrusive government and those who've had enough".

Well, on Tuesday's vote, the authoritarian side lost big and the latter won a little.

In 1990, Bill Clinton accepted that socialism would no longer win elections and campaigned center in order to govern and appoint left. This has been Senate minority leader Tom Daschle's gambit as he would talk center in conservative South Dakota in order to impose his leftist obstruction in D.C. In this example, it's the first such defeat in over 50 years and all it took was to get his deception across to the electorate in his home state.

It is fascinating that the left has never been so well funded and apparently powerful with its control of big media – from print to Hollywood. Beyond these tools was an upwelling of liberal hatred more massive than that of the

early 1970s. Dollar billionaire, George Soros, spent some 23.7 million of them in an attempt to destroy George Bush. Instead, the intense ambitions of the left crashed. Soros should back Canada's corrupt and authoritarian Liberal Government on the next general election.

All the fury on the left was daunting to the middle and in a brief moment of "*What if?*", we thought a Kerry win would prompt a change. Instead of playing "Hail To The Chief", it would be "You'll Do It My Way" or, upon second thought, "Send In The Clowns".

To be serious, the failure of the left is proportionate to its intensity going into November 2. Beyond wasting an immense amount of money and effort, the suddenness of the collapse is fascinating.

Regarded analyst, Dick Morris, suggested that the hot results for the Dems from the initial election polls might have been contrived. At any rate, the "good news" was aggressively disseminated such that Kerry was working on a victory speech as his campaign advisors were looking forward to hitting over 300 on the electoral college count.

In stock market terms, such a rush of optimism followed by such dismay is called an outside reversal to the downside.

The bear market for the political bullies of 20<sup>th</sup> Century liberalism and U.S. Democrats could be lengthy.

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