

# National News

## Rangel Faces Down Wall Street, Pelosi

Rep. Charles Rangel (D-N.Y.), the chairman of the powerful House Ways and Means Committee, on Sept. 15, shot back at Wall Street, the *New York Times*, the Murdoch press, and House Speaker Nancy Pelosi, by defiantly refusing to step down from his chairmanship. Wall Street has been on a drive to unseat Rangel on flimsy ethics charges, since he refused to cave in to Treasury Department pressure months ago, to give Secretary Paulson a free hand to bail out the financial system, at taxpayers' expense.

Rangel told the Congressional Black Caucus (CBC) on Sept. 16 that he had never even considered resigning, and Rep. Lucy Clay (D-Mo.) told reporters after that meeting, that CBC members rallied around him: "We think this is a political ploy by Republicans and he will be vindicated."

Sources on Capitol Hill reported that the demand by House Minority Leader John Boehner (R-Ohio), that Rangel step down from the Ways and Means chairmanship, would not have been pressed, had Pelosi not also been out to unseat the Congressman. Pelosi is known to be controlled by Wall Street/London sharks Felix Rohatyn and George Soros.

Reporters for *The Hill* found widespread support for Rangel among freshmen Democratic Congressmen. "Charlie Rangel took shrapnel for his country in the Korean War and has served this institution with honor and integrity," Rep. Patrick Murphy (Pa.), an Iraq War veteran, told *The Hill*. Rep. Nancy Boyda of Kansas said that some Republican Congressmen told her that they considered Boehner's call for Rangel to step down, to be "shameful."

Then on Sept. 18, Democrats and five Republicans defeated Boehner's motion by a 226-176 vote. Every Democrat except the five on the Ethics Committee (who voted "present"), voted against Boehner's motion. The five Republicans

who did include Reps. Wayne Gilchrest (R-Md.), who was defeated in the Republican primary by a pro-war candidate; Walter Jones (N.C.); Ron Paul (Tex.); Dana Rohrabacher (Calif.); and Jim Ramstad (Minn.) Six more Republicans voted "present." Eight Democrats and 12 Republicans did not vote.

The vote is a defeat for Boehner, who had threatened Republicans on Sept. 16, that if they voted against his motion, they could kiss their committee assignments goodbye.

## Gov. Schwarzenegger In Budget Showdown

The California budget crisis is going strong into its eighth week, with signs that the rotten deal that had been worked out, has broken down. That deal was based on \$9 billion in cuts in social services, combined with gimmickry centered on a 10% increase in state taxes. The "revenue acceleration," as it was called, would cover some of the remaining \$6.2 billion in the deficit, to be "repaid later," as the state's economy improved!

Gov. Arnold Schwarzenegger vowed to veto this compromise, which was passed with the necessary 2/3 vote by both the Assembly and the Senate. His objection is that he has not been given the discretionary power that he has demanded: to make mid-year cuts, without consultation with the legislature, if revenue drops; and full power over the "rainy day" fund.

The Democrats balked at giving him those powers, for good reason—i.e., that he would use them for massive cuts in social services. When this was put before the voters in 2005 as a referendum, they defeated it, with the LaRouche Youth Movement leading the charge against it, dubbing the initiative the "Make Arnie the Dictator Act."

The initial reaction to his threats to veto the budget was that Democratic and Republican leaders had the votes required to override his veto. However, that consensus appears to have broken down, as

Republican legislators suddenly discovered that "accelerated revenues" really means "increased taxes," so a number of them are leaning toward accepting Arnie's veto, and are demanding more budget cuts.

The state comptroller has warned that he will have to go to stressed credit markets to pay ongoing state expenses, as California is running out of cash. The prolonged period without a budget, approaching 80 days as of Sept. 18, means that cuts have already been imposed, particularly in Medi-Cal, the state's Medicaid program, which means that doctors, clinics, and hospitals are not being reimbursed for care they are delivering.

## Djerejian Calls for Dialogue with Iran

U.S.-Iranian Relations: The Diplomatic Cost of Not Talking," was the title of an op-ed in the *Washington Times* on Sept. 17 by Edward Djerejian, former U.S. ambassador to Israel and Syria, and the founding director of the James Baker III Institute at Rice University.

Djerejian noted that the Iranians have engaged in discussions with the United States on Iraq, but that they want a broader dialogue. The U.S. is strong enough, he said, that it can afford to offer Iran such a strategic dialogue, which might begin with discussions of Iraq, Afghanistan, Arab-Israeli peace, Gulf security, and Lebanon—before getting to the question of Iran's nuclear program. There are at least three different factions in Iran with regard to the nuclear issue, and a sophisticated approach by Washington would take this into account, Djerejian contends.

Meanwhile, David Wurmser, a former advisor to Dick Cheney, says that President Bush will not attack Iran before his term ends in January (even though Wurmser wants him to). "No, Bush won't go," Wurmser said, speaking in Brussels on Sept. 16, after a roundtable on nuclear nonproliferation, sponsored by the European Jewish Congress. As quoted in the

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*Jerusalem Post*, Wurmser complained that the dominant sentiment in Washington now seems to be that “diplomacy is working, that there is a trend in the regime toward moderation, that pressure is building on the regime.”

### Congress’s Debate on Aid To Georgia Meets Reality

Economic reality rudely intruded into the Congressional debate on Sept. 17 to authorize \$470 million as part of the Bush Administration’s \$1 billion package of aid for Georgia; the bill was being marked up in the House Foreign Affairs Committee.

“This debate does seem a bit bizarre in the context of having our economy teetering on the edge of bankruptcy, and we’re talking about spending hundreds of millions of dollars in a faraway region that has nothing to do with our own national security,” said Rep. Dana Rohrabacher (R-Calif.), who had said the week before that “the Russians are right, and we’re wrong”—referring to the fact that Georgia, not Russia, started the war.

“In budget terms,” Rohrabacher said, “we are proposing to give hundreds of millions of dollars, to give to a government that clearly ignored our advice, broke a truce, and then initiated a military action against people whose only crime was that they didn’t want to be part of Georgia.”

Another Congressman, unidentified in the House transcript, charged: “This is \$1 billion to basically show our anti-Russian attitudes. That’s an expensive telegram, particularly at a time when the United States faces tough economic conditions. Now, I might favor this resolution if we could fund it by transferring to Tbilisi \$1 billion worth of mortgage-backed securities. Unfortunately, the State Department plans to fund this in cash—*cash*, \$85 billion of which is already been deployed by the Fed to deal with the latest crisis. And AIG is just one of the crises to come.”

Rep. Ted Poe (R-Tex.) pointed out

that some of the funds will be used to repair Georgia’s energy infrastructure, but Texas’s energy infrastructure was badly damaged by Hurricane Ike, and, he reminded his colleagues, charity starts at home. Rep. William Delahunt (D-Mass.), an opponent of the bill, asked, “What’s the disparity between \$1 billion, and \$20 million for Haiti? How do we explain that to the world?”

Rep. Ron Paul (R-Tex.) warned that it is very dangerous that so few members, and no news media, were at the committee session. “It’s shocking to me, the lack of interest,” Paul stated. “This is the kind of bill that so often, the more important it is, the less attention it gets, and the more likely it is to come up under suspension and slip it through—another \$1 billion committed to a country on the borders of Russia looking for a fight, looking to reignite the Cold War.”

The bill was approved by the committee on a 24-9 vote, with four Democrats and five Republicans in opposition.

### Secretary Gates: Don’t Provoke Russia

Secretary of Defense Robert Gates issued a warning against those who are pushing confrontation with Moscow. Speaking in England after a NATO conference on Sept. 19, Gates said that “Russia’s current actions . . . do not represent the existential and global threat that the Soviet Union represented,” and that their military “remains a shadow” of the Soviet Armed Forces.

He added that “Russia’s policies are born of a grievance-based desire” to deal with the nations on their borders which were once in the Soviet Union, rather than “an ideology-based effort to dominate the globe.”

Gates said that NATO and the United States avoided confrontation with the Soviet Union, and should not change that policy now, adding on a personal note that he had the “added perspective of having signed nearly 1,400 condolence letters since taking this post.”

**A U.S. ARMY COMMANDER** told the British newspaper *The Independent* that an Israeli attack on Iran “would destabilize the entire region and open a new battlefield which could have damaging effect on Iraq and Afghanistan.” Described as a senior officer in the heart of U.S. military policymaking, the anonymous source said that “a diplomatic solution is the only logical answer to this.”

**THE OBAMA CAMPAIGN**, finding itself strapped for cash, turned down a direct appeal from Senate Majority Leader Harry Reid for financial assistance, for campaigns which could boost the Democratic majority by four to seven seats, Washington’s *Politico* reported on Sept. 16. The campaign has not even planned any joint fundraising events with House or Senate Democrats.

**DETROIT’S** Interim Mayor, Ken Cockrel, was sworn in the week of Sept. 15, replacing Kwame Kilpatrick. As City Council president, Cockrel on March 25, 2008 submitted a resolution in favor of the Homeowners and Bank Protection Act (HBPA), Lyndon LaRouche’s proposed measure to stop the destruction of the U.S. economy. The resolution passed unanimously.

**CHIEF OF STAFF** Adm. Michael Mullen, returning from another visit to Pakistan without any apparent solution to the issue of unilateral U.S. attacks on Pakistani territory, announced that a plan to send U.S. military advisors to Pakistan will begin within weeks.

**WHO SAYS CONGRESS** isn’t doing anything? On Sept. 15, the House passed a measure to ensure Secret Service protection for former Vice Presidents for six months after they leave office. The Senate approved it in July. But what about those who need protection *from* the Vice President?