



# Common Sense



## Issue XIV

### News Round-Up

[All summaries are written by Common Sense, links to source material can be found at [Opednews.com](http://Opednews.com)]

#### **Special Edition: Corruption Run Amock**

The Republican Leadership now faces a tidal wave of investigations on ethics, abuse of power, and intelligence issues. This edition sums up recent developments in the major investigations underway, the results of which are likely to emerge in the next two months. These accumulated activities prompted the President of Judicial Watch, a staunchly conservative group, to declare: *"The party of small government has become the party of big corruption."*

#### **White House Iraq Group Subpoenaed in CIA Outing Hearing**

A Grand Jury investigating the outing of CIA agent Valerie Plame by "senior White House officials" has asked for records from Air Force One and from The Iraq Survey Group, which consisted of White House political figures focused on the political aspects of the Iraq war.

The investigation, nonetheless, continues to focus on the Vice President's office. When asked whether the "full cooperation" the President has publicly requested of his staff includes waving 5<sup>th</sup> amendment rights, the White House spokesman made clear that it does not, and that the President is not asking staffers to do so. This confirms a pattern of behavior from the White House in cooperating as little as possible, despite statements to the contrary.

In another investigation regarding the forged documents describing an Iraqi uranium purchase from Niger, *the Washington Post* has reported that it is as "at a critical stage" according to a law enforcement official involved in the case. On this issue as well, all circumstantial evidence points to the Vice President's office. In light of these and other investigations, there has been much speculation on whether Cheney might be replaced on the 2004 ticket.

*See Newsday, March 5, 2004 -Tom Brune; Washington Post, February 10, 2004*

#### **Investigation May Begin into Bribery Allegations in Medicare Vote**

The House vote that passed the Republican Medicare bill was condemned by commentators of both parties as one of the most egregious floutings of House rules in history, particularly the extension of a 15 minute vote to nearly 3 hours. Several dissenting Republicans were reportedly left in tears, and one, Rep. Nick Smith, was reportedly offered a bribe. When he refused, he was threatened by lobbyists and GOP Leadership. Months later, the Republican-led ethics committee is finally showing signs of taking up the issue. Meanwhile, the administration has admitted that the Medicare bill will cost \$139 billion more than they stated, despite providing limited assistance to seniors. A conservative group has also asked John Ashcroft to investigate the bribery matter. *See AP, March 2, 2004*

#### **Investigation Into Theft of Democratic Senate Memos Will Likely Go Criminal**

What began as an apparent isolated incident has continued to grow, and a report released by the Senate Sergeant at Arms indicated that nearly 5,000 memos have been stolen from Democratic computer systems by Republican staffers. While the report noted a lack of security features on the computer systems, it also made clear that this did not excuse the theft, and Senators from both parties are now saying they expect the probe to become a criminal matter. Thus far only one of the top Republican Judiciary staffers has been implicated, but there are many signs that higher-ups were involved, such as the leak of over a dozen such memos to the press last year, something unlikely to be done without higher authority. Democrats have asked that the investigation look into whether John Ashcroft or the White House, which quarterbacks Senate Judiciary activities, had any knowledge of the theft, which occurred consistently over a year. *See AP, March 4, 2004- Jesse J. Holland*

#### **Republican Congressman Likens Vote for Kerry to Support of Hitler**

"What do you think Hitler would have thought if Roosevelt would've lost the election in 1944? He would have thought American resolve was [weakening]." -Rep. Tom Cole, (R-OK)

#### **Congress Will Investigate Ahmed Chalabi, Key Provider of Bogus Intel**

Ahmed Chalabi is the head of the Iraqi National Congress, a group of Iraqi defectors, about which the AP wrote on March 7, 2004:

*"Even though the CIA continually questioned the credibility of Iraqi defectors, the Bush administration largely used information from them to build a case for invading Iraq, says the man [Chalabi] who led many of the defectors to the CIA."* Recently Chalabi stated:

*"We are heroes in error. As far as we're concerned, we've been entirely successful. That tyrant Saddam is gone and the Americans are in Baghdad. What was said before is not important."*

Both houses of Congress are now investigating Chalabi's role, who blamed the CIA Sunday for not catching the problems with the intelligence the INC provided.

#### **Tom DeLay, Top Congressional Republican, Faces Two Inquiries**

In Texas, it has been illegal for nearly 100 years to use corporate money in races for the state legislature. But as the *Houston Chronicle* reports, DeLay's PAC,

*"...sent \$190,000 in corporate funds to the Republican National Committee; the money was conveyed by Jim Ellis, a top political aide of DeLay. A few weeks later, the RNC's state election committee sent the same amount back to Texas, divided among seven Republican candidates for the state House of Representatives."*

The PAC has admitted that the money laundering was deliberate, but that they felt it was technically legal. The District Attorney disagrees, however, and clearly if it were legal the law would be obsolete. DeLay's second investigation was explained in the *New York Times*, and involves two lobbyists linked to DeLay who have "harvested a cool \$45 million" in shady deals. John McCain is planning hearings on what he calls "disgraceful" appearances of profiteering.

DeLay also stands accused by several government watch dog groups of exploiting a childrens' charity, "Celebrations for Children," as a means to collect campaign contributions.

## Opinion

### **Taxes and the Economy**

*By Atrios*

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commentator)*

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At the end of January 1993, right after the inauguration of Clinton, the official unemployment rate was set at 7.3%. In October 1996, right before the election, the rate had fallen to 5.2%.

The centerpiece of Clinton's economic plan was his deficit reduction plan, which included both tax increases and a determination to restraint spending growth. The tax increase of 1993 raised top marginal rates from 31% to 39%. It removed the income cap on Medicare taxation. It also expanded the EITC for low income families. For the vast majority of taxpayers, the 1993 plan had zero effect on their federal tax burden.

At the time, we all remember, the Republicans predicted that the Clinton tax increases would bring on an economic armageddon. They didn't, but if the economy had tanked or failed to recover for whatever reason, in 1996 every Republican would have blamed it on the tax increases, because as we all know tax increases are bad for the economy. Whether deserved or not, that would have been the media narrative of the 1996 election.

When George Bush came into office in January 2001, the unemployment rate stood at 4.2%. Bush campaigned for tax cuts first because there was plenty of money to go around, and then because we were slipping into recession, and then because we were in recession.

The rate reached a high of 6.3% in June 2003, and has since fallen to 5.6%.

Comparatively, that isn't particularly high - but the number itself masks a lot of other things which point to an extended period of a soft labor market.

It's clear the Bushies were pinning this campaign season on some good job numbers - if they get them they would "prove" that tax cuts were working, and they'd campaign for yet another round of cuts. Perfect in an election year. But, despite their hopes, the December, January, and February numbers were all quite disappointing. And, fortunately, the press is finally starting to get a wee bit smarter (except for Pravda on the Hudson) about the jobs numbers making it more difficult for the Republicans to spin them.

But, no matter what happens with the economy this year, the media will never allow the narrative to be "the Bush tax cuts caused the poor economy" the way "the Clinton tax increases caused the poor

economy" would have been the narrative in 1996 if it had been the case. Why? Because, "we all know" that tax cuts are good for the economy and tax increases are bad for the economy. The media has internalized this as a basic fact, even though there's no reason to think it to be true. The golden years of the US economy, 1945-1973, coincided with the period of record high top marginal tax rates.

Did the Bush tax cuts "cause" a sluggish economy? It's doubtful, but what we can say with some certainty is that they spent a lot of money and don't have much to show for it. And, now, there's nothing more they can do. Greenspan can't lower rates anymore. Any further deficit spending would likely have fairly strong negative consequences, even if it were used for truly stimulative policies. It's likely the economy will lumber a long a little while longer and eventually start to improve. However, a sudden negative shock to the economy -- oil price shock, terrorist attack, natural disaster, international unrest -- could be much more disastrous than normal because the fiscal and monetary policy gas pedals are both pushed down all the way.

They gambled it all and so far they've lost. If double 0 shows up on the next spin we could be truly screwed.