

# Conservative Review

Issue #43

Kukis Digests and Opines on this Week's News and Views

October 5, 2008

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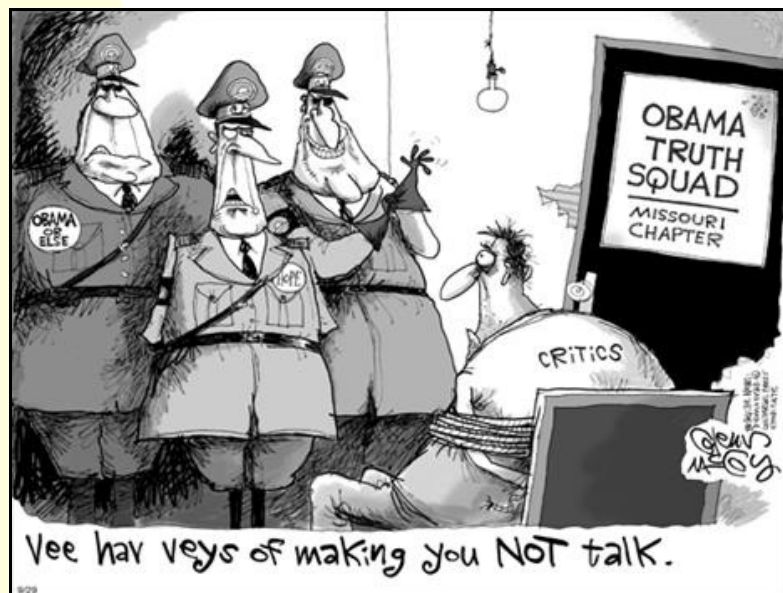
Too much happened this week! Enjoy...

The cartoons come from:

[www.townhall.com/funnies](http://www.townhall.com/funnies).

If you receive this and you hate it and you don't want to ever read it no matter what...that is fine; email me back and you will be deleted from my list (which is almost at the maximum anyway).

I do not accept any advertising nor do I charge for this publication.



I did not report on this, but Obama lawyers are quietly going after his critics. Don't look to read about this in the lame-stream media.

## Questions for Obama

You said that taxes under you would be no higher than under Reagan. Are you talking about the tax levels which he inherited or the tax levels which he brought down?

Will you investigate the FNMA and FHLMC organizations if you are elected president with a bi-partisan group? Are you willing to break off all ties with Johnson and Raines until this investigation is over? The first question would be good for McCain as well.

## Quote of the Week

The budget should be balanced. Public debt should be reduced. The arrogance of officialdom should be tempered, and assistance to foreign lands should be curtailed, lest Rome become bankrupt. People must again learn to work, instead of living on public assistance. Marcus Tullius Cicero circa 77 B.C.

## Quote of the Week #2

A bureaucrat is the most despicable of men, though he is needed as vultures are needed, but one hardly admires vultures whom bureaucrats so strangely resemble. I have yet to meet a bureaucrat who was not petty, dull, almost witless, crafty or stupid, an oppressor or a thief, a holder of little authority in which he delights, as a boy delights in possessing a vicious dog. Who can trust such creatures? Marcus Tullius Cicero circa 77 B.C.

## Quote of the Week #3

Newt Gingrich spoke to Geta Van Susteren on her show a few days back (before the Bailout bill was passed and signed): *Gingrich was particularly critical of Paulson and the New York Federal Reserve's earlier move, reported by The New York Times, to include Goldman Sachs' chairman at a meeting about insurance giant AIG's financial crisis.*

*"I don't understand how the president can avoid firing the Secretary of the Treasury when you have a former chairman of Goldman Sachs who*

*wants to have unlimited ability to spend money, and you have the current chairman of Goldman Sachs, the only private-sector person in a room," Gingrich told Van Susteren.*

*"Two weeks later, the U.S. government put up \$85 billion to help AIG, in which Goldman Sachs has a \$20 billion exposure."*

Here's the whole story which I just quoted from:

[http://www.newsmax.com/insidecover/gingrich\\_fire\\_paulson/2008/09/30/135977.html](http://www.newsmax.com/insidecover/gingrich_fire_paulson/2008/09/30/135977.html)

## Quote of the Week #4-6

"God has a special providence for fools, drunks, and the United States of America." Probably Otto Von Bismarck.

"Any fool can pass legislation to make things bigger and more complex. It is genius to be able to simplify and still improve what is there." Me riffing off an unknown quote.

"The genius if the United States Constitution is it allows our country to be run by fools." Not sure by who, but Bill Kristol said it during FoxNews today.

## Must-Watch TV

FoxNews had a weekend special on the economy. It was quite good and it will very likely be repeated next weekend.

## Vids of the Week

This is the longer version of the FNMA and FHLMC crisis being discussed years ago. Republicans are calling for more regulation and Democrats are saying, *there is nothing wrong here.*

<http://www.youtube.com/watch?v=3p1Wc2NFa3w>

The Democratic party is the family and conscience of Fannie Mae:

[http://www.youtube.com/watch?v=usvG-s\\_Ssb0](http://www.youtube.com/watch?v=usvG-s_Ssb0)

Obama's treasonous behavior:

<http://www.youtube.com/watch?v=G3HgggQLhog>

Obama argues that it is a burden to bring in a second doctor to attempt to save an infant who was accidentally born alive. He is an unbelievably cold man.

<http://www.youtube.com/watch?v=ypDwNpglUQc>

Obama on Wright:

<http://www.youtube.com/watch?v=JU2Yv-rnJEo>

Compare Obama versus McCain on *The View*:

<http://www.youtube.com/watch?v=ZdKL2LW1xYM>

Saturday Night Live's take on the Debates and the Bail out:

<http://hotair.com/archives/2008/10/05/video-snl-on-the-debate-and-the-bailout/>

## Predictions

If Obama is elected and the Congress is a majority of Democrats, there will be no investigation of FNMA or FHLMC and there will be even more corruption associated with these assets, which will be bought by the government.

I would like to say, if McCain is elected, he will initiate an investigation into the corrupt function, policies and practices of FNMA and FHLMC. After seeing his behavior with regards to this huge bailout bill, this strikes me as a 50-50 shot...better than if Obama is elected, but not a sure thing.

I was sure the Biden-Palin debate would get more viewers than the McCain-Obama debate, but I forgot to mention it. However, the 2<sup>nd</sup> McCain-Obama debate will be about the same as before—some more will watch it due to the VP debate, but some will not because the last one was a snoozer.

[A disclaimer: I do not have the gift of prophecy—no one does at this time—but these are reasonable predictions based upon the political climate and being able to read the historical trends of the day]

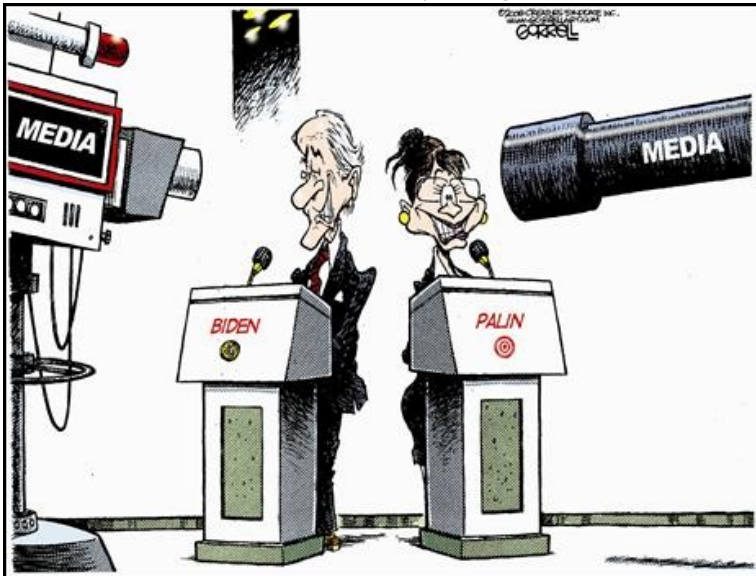


## Observation of the Week

No one, including McCain, is calling for an investigation of the FNMA/FHLMC debacle. This needs to be a cornerstone of his campaign.

## Observation of the Week #2

Who had the final say on most questions in the VP debate? Biden, by a long shot.



## Observation of the Week #3

Who made gaff after gaff after gaff in the VP debate? Biden. He made around a dozen serious factual errors. Imagine what would happen had Sarah Palin made this many factual errors?

Little or no coverage by the lame street media, but there was a lot of commentary:

<http://massdiscussion.blogspot.com/2008/10/bidens-debate-gaffes-msm-is-ignoring.html>

One person lists 23 gaffes made by Biden:

<http://zerosheep.com/2008/10/03/bidens-debate-gaffes-lies>

These are not lies, they are hallucinations:

<http://campaignspot.nationalreview.com/post/?q=ZTVhMThINjRkZGFIMmUwOWFkNDZkZjk0MzBiY2JiYmY>

In fact, ABC reports that both Biden and Palin avoided gaffes during the debate:

<http://abcnews.go.com/Politics/Vote2008/story?id=5939581&page=1>

## Observation of the Week #4

When the bailout plan did not pass on Monday, the stock market fell about 500 points (it was already down when the bailout was being discussed). I am sure that you heard this was one of the greatest free falls in the market of all time. EVERYONE reported that. No one looked at the market at the point that the debate or the vote began. The market was already 200+ points down on this day.

Throughout the rest of the week, the voting on the bailout plan had absolutely no correlation to the rises and falls in the market. No one reported on this.

## Missing Headlines

**Dodd, Rangle, Johnson and Raines under Investigation** — this is not just a missing headline, but it isn't even happening. What happened with FNMA and FHLMC is the biggest story of corruption in our day. Will anyone, including McCain, call for an independent investigation?

**VP Debate Rigged** — Now, how do you rig a VP debate which everyone watches, and both candidates receive essentially the same questions? Easy: you give Biden the final say on almost every single question.

**Biden Makes a Dozen Factual Errors in Debate** — he did; did you read about it or see them covered by the main stream media?

Come, let us reason together....

## The Bailout

It is hard to imagine what just happened. We just put our children and children's children on the hook for billions of dollars. Furthermore, there were no guarantees, which most politicians have said over and over again after passing a bill which was as large as some of our annual federal budgets in the not so distant past.

From what I can understand, there were 3 approaches: (1) Let the secondary mortgage market bleed, which would, ostensibly, dry up credit all over. (2) Federally insure these loans (not every loan given to people at no money down who had bad credit has failed; however, enough of them have to upset the apple cart). This would have probably continued the flow of credit, and would have cost a heckuva lot less. This was the Republican approach, which bill got virtually no air time. Bush did not push it, McCain did not push it, and Palin did not push it. (3) Let the federal government buy all the outstanding mortgages held by Freddy Mac and Fannie Mae (FHLMC and FNMA). We chose the latter. Bush pushed this bill strongly, followed by McCain, the Democrats and by some Republican leaders. For me, any bill which is agreed upon by Bush and the majority of Democrats has to be suspect.

Let me add a 4<sup>th</sup> approach, which I thought of, but I did not see out in the media: isolating out the subprime mortgages and dealing with them separately, either by insuring them or buying them. I do not know if that is a possible thing to do. However, there are easy guidelines: 7% or lower interest rate, less than 5% down, and a 600 or lower credit score. In the alternative, there were specific lenders and specific programs designed for those with bad credit and little money. Part of the strength of the mortgage market is the fact that almost everyone pays off

their mortgage. Most of the time, we are in the 99% range, which gives mortgage-backed securities a lot of stability. If such a thing were done, we would be dealing with about 10% of the mortgage market, and a far smaller dollar figure. That, combined with stricter control of FNMA and FHLMC would have been a very sensible approach.

Obviously, our Congress and President went with the 3<sup>rd</sup> approach. It is hard to even get a grasp of the magnitude of this bill. The collapse of Enron was nothing compared to this. Enron's fall affect its employees and its stockholders (which were many). Obviously, the amount of money was significant. However, the money involved in the Enron collapse does not compare to the this FNMA/FHLMC collapse. Since this is a taxpayer bailout which comes close to equaling all of the programs proposed by Obama, it is huge, and it affects the 70% of Americans who pay taxes and the vast majority of the 75% of Americans who own their own homes. Furthermore, this bill will continue to affect Americans for several generations. Compared to this impact, ENRON was nothing.

Why did this bill have to be passed? The claim is, that because there were so many bad loans in this market, all credit was being withheld. I know that this was true for some. On Rush' show, a number of people called up, some who had done some informal calling around, and found that there was money out there to be had (not easily; more down may have been required, but it was there). There were others who actually did get lines of credit. Insofar as I know, no credit card companies put a stop on people's normal credit lines. This is not necessarily evidence that a credit crunch did not exist, but an indication that credit was out there.

There were other companies, which I heard of third-hand, who were being told, no money, no credit no way. Constituents with this problem calling the Congressmen may have changed a few

minds. It is legitimate to think that, if Congress is going to pass a major bill which involves credit, maybe those agencies with money to loan might hold back until they see what shakes out.

Now, what is *supposed* to occur is, these assets will be sold off when they become solvent against, and possibly bring in a huge amount of money into the government. Although I understand that is definitely a possibility, I will believe it when I see it. This profit is supposed to be used to pay down our debt. I will believe that when I see it. To me, the worst things to mix together is big government, politicians of any stripe and a lot of money. That just cannot be good. If this bill goes according to plan, it will be fine; it might even be hailed as a brilliant move by George Bush. However, all it takes is a Democratic majority to come back and change the provisions of this bill after the fact, and such a thing could occur in just a few days. A Democratic president who will sign what he is told to sign and a Democratic majority in Congress, and not only will we maintain this \$850 Billion debt, but you know people will have their hands in this kitty for years to come.



What we need to keep our eyes on as taxpayers boils down to 3 things:

1) We need to move forward with this bill and dump these assets on the open market at a profit and the profit needs to be applied to our national debt. This needs to happen within the next 3 years.

2) There needs to be an investigation of Chris Dodd, Charley Rangle, Jim Johnson, and Franklin Raines. If Dodd and Rangle had any personal integrity, they would both resign from Congress. Johnson and Raines are both associated with Obama's campaign, but Obama HQ is disputing this now.

I don't want people just hung on the highest hill to pacify my outrage. If Dodd and Rangle were duped, I have no problem with that. They ought to resign, but there ought to be no criminal proceedings against those who were duped. Bush knew back in 2003 that there were problems at FNMA and FHLMC and attempted on several occasions to provide more oversight and more regulations to these huge entities, legislation which was opposed by pretty much every single Democrat in Congress.

By the way, if you do not believe that Democrats were protecting these institutions from oversight and strong regulations, take a look at this link:

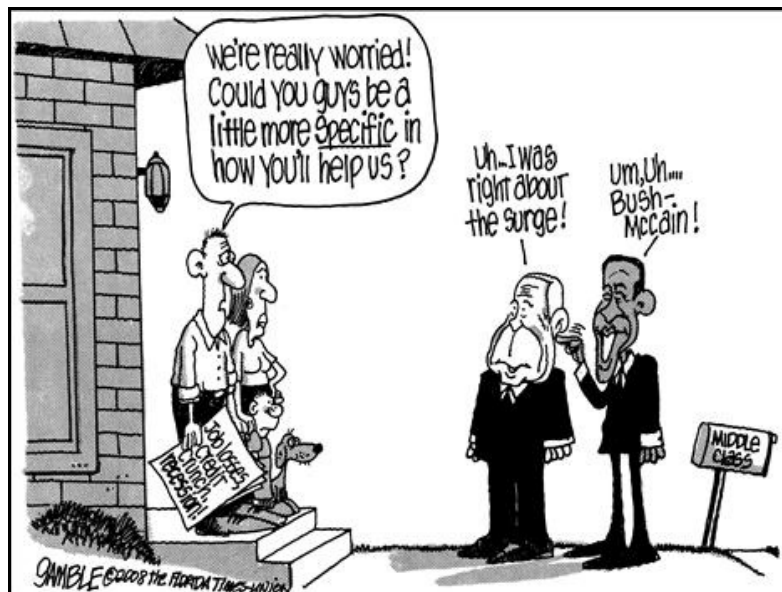
<http://www.youtube.com/watch?v=3p1Wc2NFa3w>

I don't care if you have been a Democrat for life, you need to watch what these Democrats said about the solvency of FNMA and FHLMC.

3) Easy credit needs to come to an end. People with bad credit should not be able to go out and get 100% home loans simply because they are a minority. That is just flat-out wrong. When someone has bad credit, a mortgage company should require more money down and a higher interest rate than it does from those with good credit. This only makes sense. There are also guidelines which, at one time, all mortgage

companies had to adhere to, which included specific credit ratios, something which also went out the window with these *social justice loans*.

It is important to note that most credit unions were fine during this crisis, and most of them had money to loan. These credit unions have to pay attention to a person's credit, his ratios and his down payment, otherwise, they run their credit union into the ground.



## Huge Maverick Mistake

John *the Maverick* McCain just swung and missed at the biggest softball ever thrown at him. Bush, Obama and the majority of the Democrats lined up behind the huge bailout bill.

80–90% of the public is against such a bill. The Republicans have [had?] a much less expensive, free-market solution, which involved changing the valuation of the FNMA and FHLMC assets, the government would insure the loans, and they would be sold on the open market for whatever could be gotten. On top of this, all social engineering loans would be eliminated (giving loans to people with bad credit and no money) and there would be an investigation into the

practices of FNMA and FHLMC as well as into their execs. These people have committed a fraud which is huge compared to Enron. A couple of the men at these organizations now work for Obama.

If McCain got vocally behind the Republican bill, going over the provisions wherever he could, showing up on every single program who would put him on, he would have gotten a broad-based support.

The end result would be: (1) Obama would be associated with the Bush fiscal policies and McCain would be seen as a maverick; (2) the very vocal public would be as excited about McCain's position as they were about his choosing of Sarah Palin. (3) This would have pulled over a huge number of independents, who are moderately conservative, but who did not like Bush. (4) It would have been the right thing to do for the American public.

I expected Obama to propose a big government, big spending solution. No surprise there. McCain's response—very disappointing.

## Why Did McCain do it?

I can only guess at this point. It is possible the Bush called him or took him aside or indicated that his bill was the solution.

It is possible that people McCain knows have dirty hands.

It is possible that McCain just made a bad call here, an error of judgment.

It is possible that McCain, eager to show his ability to work together with Democrats, supported a bill which most Democrats supported.

## My Email to John McCain

Dear Senator McCain, I am one of the thousands upon thousands of people who do not want to bail out a corrupt institution (FNMA and FHLMC) nor do I want to see those institutions moved closer and closer to government control. Their close ties to government and therefore government corruption is the problem, not the solution.

The Republican bill is essentially unknown except to us political nuts, and I have heard about it only from one source. You should have held a press conference, touted the specifics of the bill (insuring and not buying the loans; selling these loans in packages on the open market; stopping mortgage loans to people with sucky credit; and a thorough investigation of these entities and those who have controlled them because they are corrupt. You can still do this and you will have to eat crow for voting for the Bush bill.

Here is what this would achieve: A free market solution and not a government solution to this problem. A boost to the Republicans who sponsored this bill. Overwhelming public support for you and for this bill, and I guarantee you, even though Democrats control Congress, they would be forced by their constituents to bring it to the floor (or a bill like it). You would have better established yourself as a true maverick and clearly separated yourself from the Bush administration. You would have aligned yourself with the public against Bush, Obama and the big government Democrats.

I must admit, I cannot understand how you could be so unable to read this clear mandate from the people; it would have insured your election as president and it would have shown good, clear sense. You have offered up a big government solution, fully in keeping with Bush's approach. Obama, who stayed out of this, will probably benefit from all this, although he no doubt

supports this bill as well. This was a big mistake; you need to get out there in a press conference, admit your mistake, and do this right. If you do this, you will be our next president, without a doubt.

I followed this up with:

Here is another way to fix this mistake of supporting this bloated pork bill bail out: Tonite, have Sarah Palin break ranks with you, and voice no confidence in the bail out package, and coming out in support of the Republican bill.

Then you take it from there, possibly even having a joint press conference where the press will be there expecting you to fire Palin, and then you come out in support of the Republican bill, an elimination of loans to people with bad credit and a promise for a thorough investigation of FNMA.

If she has no opening to break ranks with you, then you call a joint press conference again, send through the rumor mill that you might be dropping her (this will get all of the press there). Then you withdraw your support for the Senate bill, ADMIT THAT YOU WERE WRONG ABOUT IT, and then come out in full support of the Republican bill, etc. You need to separate yourself from Bush here and align yourself with the people.

A nice twist, which would give Palin some gravitas, would be to say, this all came from a heart-to-heart discussion with Palin.

## What happens now?

Guaranteed, if Obama is elected, there will be no investigation of what put FNMA or FHLMC on the wrong track, and *social justice* loans will continue. Furthermore, the idea that the government will sell off these loans is unlikely; or, if we do, look for a lot of money to get pocketed along the way.

## Palin/Biden Square off

I think that Palin came off well, overall. Like the previous debate, the Republican party won, but just barely. There was no knockout punch, and Palin stumbled with what she said from time to time, even to the point of almost babbling, but not enough to sink her with independents or with Republicans.

She was told to go off in any direction that she wanted with the questions (I assume), so she went off point several times during the debate, something that Tina Fey let her have it for on Saturday Night Live last night (what a surprise that the first few Democratic debates, where everyone wandered off the actual question for the first several debates, was not ever noted or satirized).

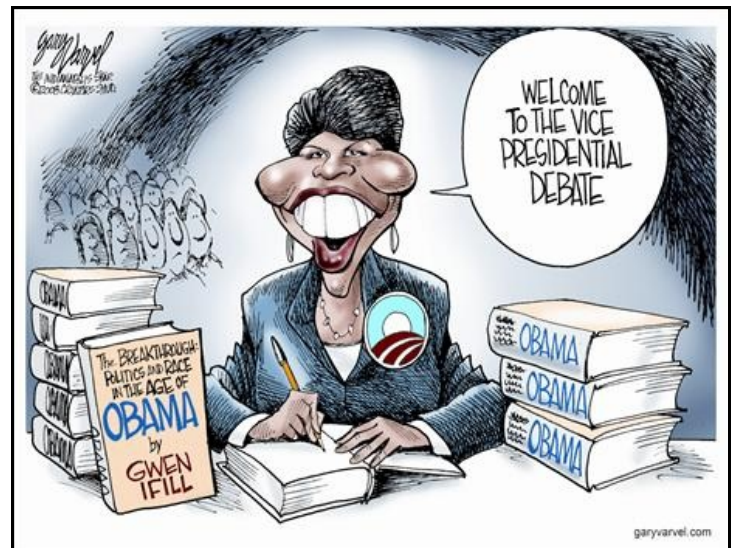
Biden was given the final word for almost every question. Most of you realize that the debate moderator, Gwen Ifill, has a book coming out inauguration day entitled *Breakthrough: Politics and Race in the Age of Obama*. If Obama is president, she will make a buttload of money; if McCain is elected president, the book may not even be released. The very idea that she was allowed to moderate this debate is unbelievable. It would be like Sean Hannity moderating the debate. *That* would never happen; but, in the mainstream media, of course it happens. She crossed her heart and promised to be fair, so it was okay. The fact that she never mentioned this book when being tapped to do this job was irrelevant to public television, the sponsor of this event. Ifill will either pocket a lot of money or none at all based upon this election, but, to most liberals, that is irrelevant and unimportant. After all, she promised *not* to be partisan. That's good enough for them.

By the way, Ifill's hilarious proof that she would not be partisan: "I haven't even written the

*Obama* chapters yet." I'm not complaining here; they could have chosen Bill Moyers to moderate.

Both of them came off likeable, and Biden never once stepped over the line with Palin, saying anything which sounded condescending or angry. They both did what they needed to do. It was like the previous presidential debate, where neither person made a mistake which would haunt them for weeks.

Also, Biden could essentially say anything that he wanted to say, true or not, as the media is not going to call him on this (the same would not have been true if Palin made this many mistakes—we would have a week of columns asking, *Does Palin have a clue? Does Palin have any idea about anything? What, she just stands there and makes stuff up?*). Since Biden made all of the factual errors, we are going to see very little about that in the media.



## It is Surreal

I have never witnessed anything quite like this political season before. Almost every television network and almost every nation favors one candidate and they make no bones about it. The

idea of reporting simply the facts with some sort of balance seems to be an old and outdated concept.

The idea that a moderator who has a philosophical, political and financial stake in the outcome of the presidential race can moderate the VP debate is surreal.

The idea that we can have corruption on a scale which puts Enron to shame, and yet, *no one seems to be calling for an investigation.*

## Links

[www.FactCheck.org](http://www.FactCheck.org) isn't always right, but it's a good site. They examine all of the ads put out by both Democrats and Republicans, as well as rumors and the e-slime that goes around (my term).

Anti-Palin professor (you have to sit through a 20 second commercial first); it is a FoxNews report (has anyone seen a similar story on *any* other network?):

[http://townhall.com/video/FoxNews/2176\\_080\\_920-164641\\_092008\\_ae\\_professo\\_B1200](http://townhall.com/video/FoxNews/2176_080_920-164641_092008_ae_professo_B1200)

**31,000 Scientists Debunk Al Gore and Global Warming** (this includes over 9000 PhD's):

From the article:

*Gore told CBS' Leslie Stahl on "60 Minutes" recently, "I think those people are in such a tiny, tiny minority now with their point of view. They're almost like the ones who still believe that the moon landing was staged in a movie lot in Arizona and those who believe the world is flat."*

*These 31,072 scientists do not believe the world is flat, and they say there is no convincing scientific evidence that so-called greenhouse gasses are causing catastrophic heating of the earth's atmosphere and disruption of the earth's climate.*

[http://www.newsmax.com/newsfront/al\\_gore\\_global\\_warming/2008/05/19/97307.html](http://www.newsmax.com/newsfront/al_gore_global_warming/2008/05/19/97307.html)

Where was the *60 Minutes* special on this petition?

John McCain needs to talk to these scientists:

<http://michellemalkin.com/2008/05/19/31072-scientists-john-mccain-needs-to-talk-to/>

Obama Children singing "We can Change the World"

<http://www.youtube.com/watch?v=WICjlrV9ubo>

Obama Kids: Sing for Change (Pyongyang Remix)

<http://www.youtube.com/watch?v=i2naSzb1psU>

Fuhrer Obama Hitler Youth - Sing for Change (this is a little eerie, particularly near the end)

<http://www.youtube.com/watch?v=gH-2Fwx5RU0>

## The Rush Section

### Rush's Take on the Bailout Plan

RUSH: I want to dedicate today's Dow Jones Industrial Average, it's at about 269, up at the moment, to the Republicans in the House of Representatives for their boldness yesterday. Greetings, ladies and gentlemen, Rush Limbaugh, the Excellence in Broadcasting Network, and three hours of broadcast excellence, as you have

come to know, love, and expect, straight ahead for the next three hours.

I was going to say, I can't believe how wrong everybody's getting this. Then I have to stop and think, yes, I can believe how wrong everybody's getting this, because the Drive-Bys are in the tank for the Democrats and for Obama, and they're stupid, they're dumb. They do not understand economics. They understand the narrative that Washington has the solution to every problem, and when Washington fails, the country fails, and it's just the exact opposite. Glenn Reynolds, who runs the blog Instapundit, somebody sent him an e-mail yesterday, a reader of his at a major Drive-By Media newsroom, and this little e-mail will set up the rest of the program today.

"Off the record, every suspicion you have about MSM being in the tank for O is true. We have a team of four people going thru dumpsters in Alaska and four in Arizona. Not a single one looking into ACORN, Ayers or Freddiemae. (sic) Editor refuses to publish anything that would jeopardize election for O, and betting you dollars to donuts same is true at NYT, others. People cheer when CNN or NBC run another Palin-mocking but raising any reasonable inquiry into Obama is derided or flat-out ignored. The fix is in, and it's working." This is a reader of Instapundit working in a major newsroom sending an e-mail to Glenn Reynolds. We knew this; we've known it all along. So it really shouldn't come as any surprise.

Let's start with this bit of news here. The Dow Jones Industrial Average is up, about 269. NASDAQ is up 265 today. Who in the world at the close of business yesterday thought that would be the case today? Well, you might have, Snerdley, and I kind of expected it, but I'll

guarantee you the wizards of smart in Washington and New York are stunned today. They cannot understand it. They don't believe this. They thought another 700-point drop was headed our way because, remember now, the template and the narrative is when Washington doesn't do something the country is headed for disaster, when in fact it's just the exact opposite. Here's a story from Reuters today, headline: "'Stocks Higher after Consumer Confidence' -- US stocks held onto positive territory on Tuesday after a report showed a stronger-than-expected reading in a gauge of consumer confidence. The report from the Conference Board provided an added positive spur as a gauge of manufacturing activity in the US Midwest region also showed a stronger-than-expected reading."



Every economic story, I don't care whether it is down or up, is unexpected, from the AP, from Reuters, from wherever it comes. "A day after the House of Representatives rejected the proposed \$700 billion rescue plan to reduce the US financial sector, investors held out hope that leaders in Washington might work around any disagreements." How do they know this? The consumer confidence report is for the month of September. It was not taken after yesterday's

bailout vote failed. It's for the month of September. If it is reflective, it's because the American people overwhelmingly are happy that this bailout bill did not happen as it was written. There was nothing new in what was voted on yesterday from the original proposal. Yesterday's proposal that went down the tubes was the same as first proposed, it gave the Treasury Secretary -- and that could mean Paulson for the next three months -- if Obama wins, could mean Franklin Raines is back as secretary of the Treasury or somebody like that. It puts them in charge of ensuring the economic well-being of every citizen -- it's not possible. Karl Marx, number five, Communist Manifesto. If he knew what was going on in the United States, he would be thrilled today. I'll share with you why in mere moments.

Everybody is misunderstanding what happened yesterday. CNN is destroying the Republicans. Our friends at National Review Online and their blog The Corner are destroying the Republicans. Well, I know, Snerdley, you may not read 'em but people on the Hill do, and the Republicans on the Hill do not understand what's happened to Mr. Buckley's organization because they're being ripped to shreds by conservatives at The Corner and other places. The fact of the matter is Nancy Pelosi got exactly what she wanted yesterday. She got an economic disaster, perceived economic disaster. The bill went down to defeat. It was by design to go down to defeat. Nancy Pelosi didn't do one thing to stop renegade Democrats from voting against the bailout. There are a lot of Democrats in very unsafe seats, unsafe districts right now. They had to vote "no" because the overwhelming majority of the American people wanted no part of this, as written. They understand. As complicated as the language of this is, it's not complex for the average citizen, which understands that the market and the government are two different things. They understand that the government has botched every attempt it's made to toy with, fix,

promote, whatever, the market. They instinctively understand that this is not how these things are to be done. They also understand that for \$700 billion, you could give every American \$75,000 toward retiring their mortgage, and if this is a mortgage crisis, then give every American \$75,000 or \$50,000 bucks instead of giving it someplace elsewhere shore up so-called liquidity. They understand if you're going to start passing out money, give it to us. Our mortgages are the things that are in trouble. If you're really concerned about this, they're saying, if you're really, really concerned, imagine the economic activity that would be spurred on -- if we're going to give \$700 billion away, now, don't misunderstand, I'm not suggesting this should happen, but I'm saying the American people say, "If you're going to give \$700 billion away why give it to people who made these bad loans in the first place just to make them healthy? Give it to us, let us retire a lot of our mortgages and watch us go to town here in the economy causing economic growth. I mean, if our objective here is to bring the economy back, save the economy, then hell, give it to us." They instinctively understand this.



So there's a lot at work here, and it's simple to understand. There were five committee chairmen that owe their careers to Nancy Pelosi, who voted against the bailout. She didn't try to twist their arms. She didn't do anything of the sort. She goes out there looking all ash-faced yesterday like it's the dregs of disappointment. She got exactly what she wanted today. She's got the idiots, the economic illiterates at CNN, at MSNBC, at ABC, CBS, wherever, blaming McCain, blaming Republicans, 35 days before an election. Five weeks out, the Drive-By Media is following right as they should, blaming Republicans for an upcoming economic disaster. They played election issue politics yesterday disguised as trying to help the country and save the country. The Democrats want as much economic chaos as they can create. They want as much angst; they want as much concern; they want you thinking crisis, crisis, crisis, crisis, crisis; they want all of this happening so that you will elect Obama. The Republicans in Congress, I think went out there and said some things about Pelosi's speech yesterday that a lot of Republicans, a lot of conservatives, "Come on, you guys, can you grow up? Don't tell us that you changed your vote on saving the country because Pelosi delivered a partisan speech." I, frankly, think that's what they said, but I don't think that's at all why they changed their vote, if they changed their vote at all. I think that's what they went out there and said.

The speech by Pelosi was irresponsible. She is stupid. One trillion of wealth was lost yesterday with that 777-point drop. But it's coming back a little bit today as it's up 264 points at the Dow Jones Industrial Average. Now, I think what happened -- this is pure politics -- the Republicans in the House are sitting there watching the vote go, and they're seeing all these Democrats vote "no." Do you know that 12 members of Barney Frank's committee voted "no"? Barney Frank wasn't running around trying to change any votes. So the Republicans are watching all these Democrats vote "no" after being told all week it

was their responsibility to join with Democrats to make this happen, and after knowing full well that the Democrats really wanted this to happen, they could have passed it on their own without Republican help. That was the spin. And then they sit there and they see all these Democrats voting against it, voting nay, and they say, wait a minute, what's happening here, and they figured it out. They figured out that the vast majority of public opinion around the country is dead set opposed to this, isn't even close, and they see Democrats in crucially close districts voting against it so they can run around and campaign, "I voted against that bailout, I knew it was the wrong thing to do, but our Republicans voted for it."

It was a setup from the get-go, and however it is that the Republicans decided to change votes or to vote against it, it was the wise and smart thing to do. Now there's time to put something together that makes some sense, but this is not the bunch to do it! This is the bunch that caused it! I sit here in continual amazement that we are willing to let the very thieves that stole from Fannie Mae, Freddie Mac, the very thieves -- I'll tell you something else. Not only do Barney Frank and Chris Dodd, et al, need to leave office, we need to shut down Fannie Mae and Freddie Mac, shut 'em down. What have they done for us? What is the value that they have provided? They are at the root of all of this. Had Fannie Mae and Freddie Mac not done what they did and had it not been papered over and ignored by regulators in the House, the oversight committees, we wouldn't be where we are today. It's just that simple. You might say, "Rush, Pelosi is looking really bad. How do you know she got what she wanted?" You gotta understand, you have to understand how they look at things. The country is second or third on their list right now. Power is number one, winning the White House, number one, holding the House and Senate, blaming Republicans is number two for everything that has gone wrong.

They'll fix, they think, whatever mess they create in the process, after they get what they want. But the very people that are going to fix this are the very people that caused all of this. So what happened yesterday was exactly as I suspected, before we left the air yesterday, before this program concluded, we all were sitting here thinking, oh, wow, oh, it failed, oh, no, panic, crisis, down 777 points, Pelosi goes out all ashen-faced, Bush is distressed, he's upset, and a lot of Republicans, conservatives are upset because they think the Republicans stand in the way of government doing the right thing. God bless the House Republicans. God bless 'em, folks. This whole thing was a setup. From the very moment that they started talking Armageddon-type crisis, I kept saying, why wait? Why wait a week? We don't have two weeks. We don't have a week, Armageddon-type crisis. Then the Democrats refused to do anything until they were assured that the Republicans would be on board.



Then Pelosi, the one stupid thing she did was take it to a vote without knowing the outcome. I'm not even sure she didn't know the outcome. I'm pretty sure that she did know that the Democrats were going to lose this yesterday and wanted that to happen. And then, of course, a lot of Republicans in the House sitting there saying,

"Wait a minute here. We got Armageddon going on, I'm supposed to put my neck in the noose and those lazy bums in the Senate get to wait two days to see what the fallout from our vote is? To hell with that." There are a whole lot of reasons for the House Republicans not to vote for this thing yesterday. And now the Senate, they're going to take it up either tomorrow or Thursday if they do, they're gonna come back and write a new plan.

RUSH: By the way, I blew it. Glenn Reynolds is Instapundit, not Little Green Footballs. I got the blogs confused out there. Here's the thing. I'm watching the Drive-By just stick to script, and I'm craving anybody to step outside the narrative and get this right. America is not stupid. America understands what's going on. How long did it take...? I'll give you some relative comparisons here. How long did it take for George W. Bush to "panic" the country into war with Iraq? "Panic," I put that in quotes. How long did it take? I think it was over nine months. How much time did we spend at the United Nations? How long did we go to the United Nations and beg France and the Security Council to join us? The president did not rush into this. He spent at least nine months, if not more, doing everything we could to round up allies, doing everything we could to explain how many resolutions that Saddam Hussein had ignored. Now, after being told for, what now, five years or so -- the Iraq war started in 2003 -- that the "rush to war" in Iraq was wrong, we've got Pelosi, we've got Frank, we've got Dodd, we've got Harry Reid who want us to rush to bailout in a week, without knowing the specifics of what's involved here?

And then we have such a catastrophic here, we have such an Armageddon, we have such a crisis -- we're on the verge of the Great Depression 2 -- Congress takes two days off! (pause) How can these two go together? The American people are not this dumb. You don't have Armageddon right around the corner. You don't have Armageddon

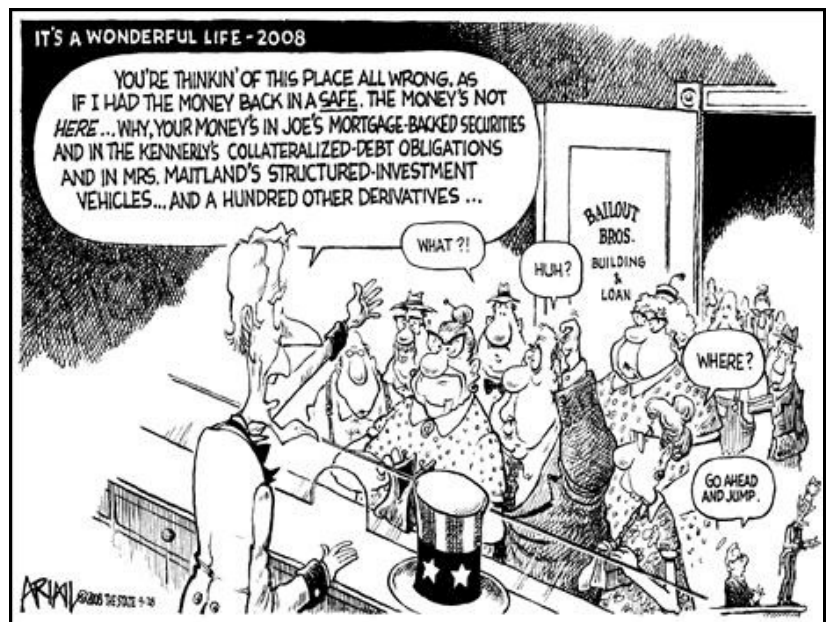
at the end of the day and have Congress take two days off. The same people who want us to rush into this so-called bailout accuse Bush of panicking and rushing everybody to war when it took nine months to a year! So it's obvious the American people are not going to be rushed into this solution. Obviously government has a role to play here. If they're going to spend \$700 billion, most Americans can figure out that there's a better place to spend it than where it's earmarked at, and put somebody in charge of it other than one person -- the Treasury Secretary -- whoever it happens to be.

Now, I've gotta give Larry Kudlow some credit. One of the proposals that's being bandied about today that a lot of people like is increasing FDIC insurance on bank accounts from a hundred grand to \$250,000, and Obama is out there saying, "I did this! That was my idea." Obama has been absent. Obama hasn't said one word about this. If this was so crucial, where was Obama getting the Congressional Black Caucus to vote for this? If this was so crucial, how come Obama couldn't twist the arms of the Illinois delegation at least to vote for this, the Democrats in the Illinois delegation? Obama was worthless.

Obama goes into the White House on a meeting last Thursday, the meeting blows up, he slinks out of the town, says, "I'm better at this on the phone from far away." He has nothing to do with this and he's out there trying to blame McCain and take credit for this.

"I've been on the phone with everybody; I know exactly what's going on." Today changes his tune. Yesterday Obama is out there before the vote telling everybody, "A historic vote today is going to save the country." After the vote went down he had to change his speech. He's clueless, you don't know what's happening, he's playing no role in it, he's out claiming that his idea is to up the FDIC insurance from a hundred grand to 250.

It's Larry Kudlow's idea who is a brilliant economist, who used to be at Bear Stearns, and now is at CNBC, of course. There's a piece today in, of all places -- of all places, you have to look really hard for it -- the CNN website. It's a commentary piece by Jeffrey A. Miron, who is a senior lecturer in economics at Harvard. He's a Libertarian. He was one of 166 academic economists who signed a letter to congressional leaders last week opposing the government bailout plan.



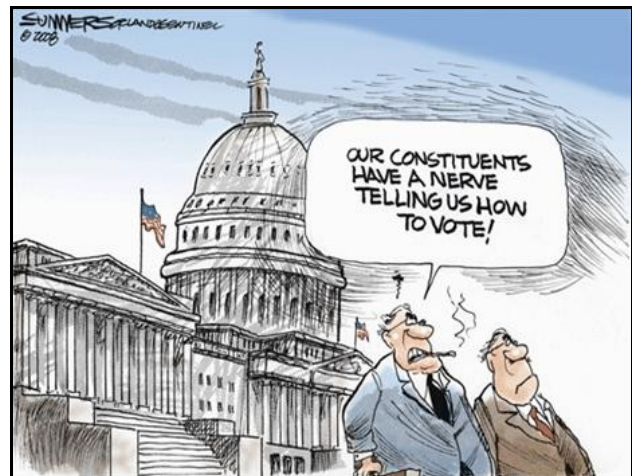
He said, "This bailout was a terrible idea. Here's why. The current mess would never have occurred in the absence of ill-conceived federal policies." That's it, in a nutshell! That's exactly right. It would have never happened "in the absence of ill-conceived federal policies. The federal government chartered Fannie Mae in 1938 and Freddie Mac in 1970; these two mortgage lending institutions are at the center of the crisis. The government implicitly promised these institutions that it would make good on their debts, so Fannie and Freddie took on huge amounts of excessive risk. Worse, beginning in 1977 and even more in the 1990s and the early part of this century, Congress pushed mortgage lenders and Fannie/Freddie to expand subprime

lending. The industry was happy to oblige, given the implicit promise of federal backing, and subprime lending soared."

RUSH: I have some confusion out there, ladies and gentlemen. I've gotta straighten this out. In the beginning monologue of the program, I said a lot, so I understand it's a lot to keep up with and remember. But I said, "If you take \$700 billion and give it to every American that has a mortgage and let 'em pay off -- or at least pay off part -- of their mortgage -- you'd do a lot." I didn't say divide \$700 billion by every American. I said divide \$700 billion by the number of Americans who have mortgages, and it's nowhere near \$700 billion. So let me give you the details. I want to go back to Jeffrey Miron's column at CNN in just a second. I got this from Wizbang blog, and it's about understanding \$700 billion -- and in fact there's another way of looking about how to understand \$700, and I'll get to that right after this.

This \$700 billion "is amazing," but, "they need every penny to prop up the mortgage lenders," they say. Okay, so you ask (again, this is Wizbang blog), "How many bad mortgages are there? Then after playing with that hypothetical in my head I wondered, how many mortgages are there in active in the whole country? So I looked it up. According to this 2006 pdf from the US Census, there are 33 million owner-occupied dwellings with first mortgages active." So, "\$700,000,000,000 / 33,000,000 = Over \$21,000 cash the government could just give to everyone with a mortgage!" Give it to the people that make the country work. People could pay off their mortgages. "If we're going to give \$700 billion away, what kind of stimulus would that have on the economy to hand 33 million people \$21,000?" I'm not advocating this, I'm just saying -- if we did that once, it's over -- it would be the same thing here as the government owning your mortgage in a sense because they're going to get it back from you one way or the other.

But I'm just making a point here of how much money \$700 billion is and how much of a profound impact it could have if it were injected into the market, into the private sector, into the hands of the people who make the country work rather than the lenders. But then Kevin at Wizbang blog says he "took it to the next level... On page 174 of the pdf [he] found an interesting table," and I can't give you the numbers of the table here; I'll just give you the results here. Numbers are hard to follow on the radio. He found an interesting table and "put the highlighted numbers into a spreadsheet to figure out just how many mortgages \$700 Billion could retire if [the Congress] gave the money (back) to the people. I got this. The Bottom Line: If the Treasury simply took the \$700 Billion and started paying off taxpayer mortgages, they could pay off every mortgage in the country worth less than \$75,000..."



You could pay off every mortgage in the country worth less than seventy-five grand; "\$700 Billion could pay off well over half of all outstanding first mortgages in the entire country. ... So [some people might] say we just take the cash and pay off half the mortgages out there and see what that does to the credit market and the economy," and see what happens. But, again, the American people are not stupid. Why give \$700 billion to one man, whoever he is? I mean the Treasury

Secretary, this time it's Paulson. Why give it to him and have as his charge, which is what the bailout legislation yesterday said was, "insuring the economic well-being of the American people." If you want to insure the economic well-being of the American people, retire their mortgage or half their mortgage or what have you. I'm not advocating this. This is just illustrative.

The Associated Press also has a story today putting \$700 billion in perspective, and of course what do they start with? The Iraq war! "You could buy yourself a war with that kind of money -- the US has spent \$648 billion on Iraq war operations so far. You could match Franklin Roosevelt on his New Deal and raise him billions more." No, you could not! The New Deal has cost us seven or eight trillion bucks, with all the add-ons and all the other things. This is what I'm talking about: the genuine illiteracy, economic illiteracy and ignorance that exists in the Drive-By Media. "What else could the government do with a \$700 billion blank check? ... It could ensure universal health care coverage for six years ... build 1,750 bridges to nowhere. Or run an entire country.

"Seven hundred billion dollars is more than twice the size of the economy of Denmark. ... According to the Wall Street Journal, half the money FDR spent on his New Deal program to lift the country out of the Depression and banking crisis was for public works projects." This is all BS. The New Deal did not get us out of economic crisis, and anybody worth his salt who can learn a modicum amount of economics in American history would know that it was World War II that did that. The New Deal might have made it worse, folks! Just like this raw deal would make things worse. It's striking, the literal ignorance that's out there -- and I know what takes the place of the ignorance is partisanship, is an agenda that the Drive-Bys admit that they have. Now, back to Jeffrey Miron's piece at CNN.com, 'cause basically what

he's saying is that bankruptcy is the right answer here, not a bailout.

He's a Libertarian lecturer -- not a professor, he's a lecturer -- at Harvard. "This subprime lending was more than a minor relaxation of existing credit guidelines. This lending was a wholesale abandonment of reasonable lending practices in which borrowers with poor credit characteristics got mortgages they were ill-equipped to handle. Once housing prices declined and economic conditions worsened, defaults and delinquencies soared, leaving the industry holding large amounts of severely depreciated mortgage assets. The fact that government bears such a huge responsibility for the current mess means any response should eliminate the conditions that created this situation in the first place, not attempt to fix bad government with more government," and that is one of the problems I have with this bailout is it gets nowhere near the root cause of this problem -- and that is Chris Dodd, Barney Frank, Bill Clinton, Jimmy Carter, Harry Reid, Nancy Pelosi, Franklin Raines, Jim Johnson.

Democrats left and right. That's another thing. I am agitated today. I am sick and tired of our conservative intelligentsia media trying to balance things out by saying "both sides are at fault." Both sides are not at fault! They may be talking about the vote yesterday on the bailout. Both sides are not at fault. Stop trying to impress people are going to hate you no matter how much you might think they like you. Stop trying to get invited to cocktail parties and dinner parties in Washington. Both sides are not to blame for this! What is the point of having a conservative media if they're not going to stand up for conservatism? What's the point of having a conservative media if all they're going to do is wring their hands? "Well, we know that both sides are at fault, Mr. Limbaugh, and we must be assessing blame accurately and fairly on both sides."

Both sides are not to blame. If you could find a Republican guilty here, he would be in the hoosegow. As I keep saying, they would have had congressional hearings led by, Barney Frank, Harry Reid, John Conyers, et al. Both sides are not at fault here, and until we can come to grips with that, we're just going to be whistling Dixie (no offense to Dixie) about fixing this problem, and Lecturer Miron here sums it up in one brief sentence. "The fact that government bears such a huge responsibility for the current mess means any response should eliminate the conditions that created this situation in the first place, not attempt to fix bad government with more government. The obvious alternative to a bailout is letting troubled financial institutions declare bankruptcy. Bankruptcy means that shareholders typically get wiped out and the creditors own the company.

"Bankruptcy does not mean the company disappears; it is just owned by someone new (as has occurred with several airlines). Bankruptcy punishes those who took excessive risks while preserving those aspects of a businesses that remain profitable. In contrast, a bailout transfers enormous wealth from taxpayers to those who knowingly engaged in risky subprime lending. Thus, the bailout encourages companies to take large, imprudent risks and count on getting bailed out by government [again]. This 'moral hazard' generates enormous distortions in an economy's allocation of its financial resources." I could not be happier that he put the word "moral" in this, because what has happened here is immoral, and the immorality of those who created the problem survives to this day. They're the same immoral people with the same immoral ideas, attempting to attach more immorality to the market in the hopes of "fixing" it.

And when they knew they didn't have the votes, then they circled the wagons. "Okay, it's time to blame the Republicans for this." The Republicans

had nothing to do with it, other than trying to stop it numerous times since 2000, since 1999, numerous times. The only role the Republicans had is that they failed to stand up and stop it. For example, we played audio from this YouTube video -- that's since been pulled down, by the way -- the thing that we played yesterday, the congressional hearing with the regulator, the OFHEO regulator, Mr. Falcon, being attacked like Ken Starr was attacked, and he was just trying to say, "You guys have a big, big problem here. We can't look the other way anymore," and Barney Frank (D-MA) and Maxine Waters (D-CA) and Lacy Clay (D-MO) were all just attacking him.



What needs to happen is what the oil company execs finally learned. The oil executives year after year after year go after and get lectured by these pompous windbags on these committees accused of price gouging and price fixing and so forth. The last time there were hearings, the oil execs fired back, said, "Screw you! You're the guy standing in our way. You're the guys we're paying all these taxes to. Our profits net 8%. You're the ones standing in the way of our exploration." So what needed to happen, the only fault the Republicans have here that I can find is they did all these committee hearings, they

found the truth and didn't do anything about it, when they ran the show. The Republicans were the majority in the House in 2004. They could have done something about it at the committee level, but they thought conducting the hearing was enough. So, maybe they are to blame for something, but they have no structural, institutional role in this crisis in the sense of designing it, in the sense of perpetuating it, in the sense of knowing it was going wrong and looking the other way and lying to the American people about it.

So both sides are not responsible, and in the sense that this vote in the House yesterday was a sensible one, why rush into this? Why hurry? Get this done right. We've now got the time to do it right. Even people on our side do not even understand what Pelosi pulled off here. She pulled off an election-year trick, designed to get the Republicans blame for this, and what's happening is too many in the conservative media are like right along: "Both sides are to blame." This is every bit as winning an issue as gas prices, oil drilling, and everything else, and then McCain. McCain did a statement today and said, "Bipartisanship is tough. I want to work together with everybody, try..." Bipartisanship is tough? Bipartisanship is the easiest damn thing in the world, Senator! Bipartisanship is easy. Compromise what you believe, agree with the other side, and you got bipartisanship. Partisanship, standing up for your principles, that's what's tough because everybody comes after you! Everybody tries to destroy you. Talk to the House Republicans about that today. Bipartisanship is tough? Bipartisanship is just like liberalism. It's gutless.

RUSH: Let me wrap up this piece here from Mr. Miron, who is a lecturer at Harvard. "Thoughtful advocates of the bailout might concede," this perspective, that there's moral hazard generating enormous distortions in an economy's allocation of its financial resources, "but they argue that a bailout is necessary to prevent economic

collapse. According to this view, lenders are not making loans, even for worthy projects, because they cannot get capital. This view has a grain of truth; if the bailout does not occur, more bankruptcies are possible and credit conditions may worsen for a time. Talk of Armageddon, however, is ridiculous scare-mongering," and he is right. All of this crisis-mongering is political, it is strategic. The Democrats are using it to win a presidential election. It is not realistic. "If financial institutions cannot make productive loans, a profit opportunity exists for someone else. This might not happen instantly, but it will happen."

J.G. Wentworth come along, have you seen his latest commercial, 1-877-NEEDCASHNOW. Somebody's out there willing to loan money. "Talk of Armageddon, however, is ridiculous scare-mongering. Further, the current credit freeze--" and this is crucial, folks "--is likely due to Wall Street's hope of a bailout; bankers will not sell their lousy assets for 20 cents on the dollar if the government might pay 30, 50, or 80 cents." So his point is, they could be making loans; they're just not going to do it yet, to wait and see what happens with the bailout to find out how much. So even the credit market drying up is a bit of a scam being perpetrated here because once the biggest pile of money in the world says it's going to get in the game, the people who stand to benefit from that big pile of money are going to wait around and see how much of it they're going to get. Why use your own money when you can use other people's money, in this case ours?

"The costs of the bailout, moreover, are almost certainly being understated. The administration's claim is that many mortgage assets are merely illiquid, not truly worthless, implying taxpayers will recoup much of their \$700 billion. If these assets are worth something, however, private parties should want to buy them, and they would do so if the owners would accept fair market value. Far more likely is that current owners have

brushed under the rug how little their assets are worth. The bailout has more problems. The final legislation will probably include numerous side conditions and special dealings that reward Washington lobbyists and their clients. Anticipation of the bailout will engender strategic behavior by Wall Street institutions as they shuffle their assets and position their balance sheets to maximize their take. The bailout will open the door to further federal meddling in financial markets."

Let me translate that for you. It means that nothing is happening on Wall Street because everybody's waiting to see what the government does, which means the market has been brought to a screeching halt because of the government, under the guise of fixing it and staving off collapse, Armageddon, Great Depression 2. The lending markets, the credit markets, are theoretically stalled. Government is preventing market activity. However, consumer confidence is up, unexpectedly. The Dow Jones Industrial Average is up 270. How does this happen? How can this possibly be after yesterday's near crash? Would it be, ladies and gentlemen, that people actually do believe in the fundamentals of the United States economy, hmm?

#### **ACORN Pressured Banks to Make Bad Loans**

RUSH: So what got us here? Well, you can say "white guilt" got us here, political correctness got us here, or a combination of all those things. Democrats' desire to socialize the country got us here. Efforts to stop it failing -- and we're on the verge of even more of it, ladies and gentlemen. Stanley Kurtz has been researching Obama, and he has a great piece today. Let me just give you a couple excerpts. "What exactly does a 'community organizer' do?" and one thing a community organizer does, if he's Barack Obama, is pressure banks to make bad loans. Obama's fingerprints are over this, too, because his group ACORN is all involved. The Community

Reinvestment Act "was meant to encourage banks to make loans to high-risk borrowers, often minorities living in unstable neighborhoods. That has provided an opening to radical groups like ACORN (the Association of Community Organizations for Reform Now), and a group that is constantly engaged in illegal voter registration, among other things.

"That has provided an opening to radical groups like ACORN ... to abuse the law by forcing banks to make hundreds of millions of dollars in 'subprime' loans to often uncreditworthy poor and minority customers. Any bank that wants to expand or merge with another has to show it has complied with [these community redevelopment things] -- and approval can be held up by complaints filed by groups like ACORN. In fact, intimidation tactics, public charges of racism and threats to use CRA to block business expansion have enabled ACORN to extract hundreds of millions of dollars in loans and contributions from America's financial institutions." Think of ACORN as a thousand Jesse Jacksons, in terms of shaking down companies and institutions.

"Banks already overexposed by these shaky loans were pushed still further in the wrong direction when government-sponsored Fannie Mae and Freddie Mac began buying up their bad loans and offering them for sale on world markets," and by the way, speaking of that, Obama did it again in the debate (which we're going to get to). He said that our reputation in the world, I think everybody would agree, is not what it once was. He said it in Berlin', he said it to a seven-year-old kid asking him why he wants to be president. Frankly, I am fed up with it. Because, folks, if you want to know our reputation around the world -- to the extent that it is -- is in disrepair, you might take a look at the fact that a bunch of foreign banks were lied to by US institutions who said these subprime loans were AAA paper. You can buy 'em up. Do you know we're bailing out foreign banks that do business on the United

States on this basis because they bought up some of these assets?

So all this talk about how our image in the world has been dinged or damaged, let me tell you: to the extent that that's true, people in financial institutions around the world are saying, "What have you done to us? You've made us take on this worthless garbage paper. What have you done to us? What are you doing to your financial system?" It ain't about Iraq. It ain't about the war on terror. So there is Obama running around talking about how we've lost our esteem. That aggravates me like you cannot believe. We're going to analyze the debate as things shake out as the program unfolds before your very eyes. Of course Obama is as close to ACORN as anybody can be, closer to ACORN than anybody ever seeking the presidency. And ACORN went out and put their own pressure on these banks and lending institutions, political correctness pressure -- take it, you know, whatever it is -- to spread this misery far and wide under the terms and definitions of things like affordable housing.

I think there's something more devious than that going on. We know several things institutionally. We know that the left wants as large a government as possible. We also know the left wants as many citizens in this country depending on government, not just for their needs but for their wants as well, but particularly their needs. We also know that owning a home in this country has been one of the most desirable things people have had. Many people, most people work themselves to the bone to be able to save up for a down payment, to be able to qualify -- and all of a sudden, the Democrats and the Clinton administration came along and said, "Why make it so hard on people? It's unfair. Let's just get 'em into homes. Let's threaten the lending institutions to loan 'em money they can't pay back. As long as home prices keep going up, this is not going to be a problem. It will be fine."

Well, everything goes up goes down eventually. It's called gravity. It's called supply and demand. It's called economic cycles, and we're where we are. So now the bailout is about making sure that all these people whose votes have been bought stay bought.



### Dems Fight Against FNMA Regulations

RUSH: What you are about to hear, ladies and gentlemen, is informative, educational, and stunning. It is Democrat after Democrat defending all of these fraudulent mortgages from Freddie Mac; attacking those who were raising concerns. You're going to hear Democrats viciously attacking the effort to regulate Fannie Mae and Freddie Mac, which is at the root of the problem here requiring this so-called bailout. Every black member of the committee is defending Fannie Mae and Freddie Mac, and every Republican begging for more regulation. You will not believe what you're going to hear. They defend Franklin Raines, every one of them. It is Barney Frank saying "safety and soundness" is not an issue. Republicans are on the attack one after another; Democrats defending one after another. I don't get excited about YouTube stuff

going around because there's so much YouTube stuff, but this stuff is exciting. It's huge. You have Franklin Raines actually saying these assets are "riskless." So we're going to start with every speaker. This is a hearing from 2004: Republicans begging for regulations and Democrats defending Fannie and Freddie. We start here with Rep. Richard Baker (R-LA).

BAKER: It is indeed a very troubling report, but it is a report of extraordinary importance not only to those who wish to own a home, but as to the taxpayers of this country who would pay the cost of the clean up of an enterprise failure. The analysis makes clear that more resources must be brought to bear to ensure the highest standards of conduct are not only required, but more importantly, they are actually met.

RUSH: We're talking here about Fannie Mae. Rep. Maxine Waters (D-CA) starts the defense.

WATERS: Through nearly a dozen hearings where, frankly, we were trying to fix something that wasn't broke, Mr. Chairman, we do not have a crisis at Freddie Mac, and particularly at Fannie Mae, under the outstanding leadership of Mr. Frank Raines.

RUSH: Here now is Rep. Gregory Meeks (D-NY).

MEEKS: As well as the fact that I'm just pissed off at OFHEO, because if it wasn't for you, I don't think that we'd be here in the first place, and now the problem that we have and that we're faced with is: maybe some individuals who wanted to do away with GSEs in the first place, you've given them an excuse to try to have this forum so that we can talk about it and maybe change the, uh, the direction and the mission of what the GSEs had, which they've done a tremendous job. There's been nothing that was indicated that's wrong, you know, with Fannie Mae! Freddie Mac has come up on its own. And the question that then presents is the competence that -- that -- that -- that your agency uh, uh, with reference to, uh, uh, deciding and regulating these GSEs. Uh,

and so, uh, I wish I could sit here and say that I'm not upset with you, but I am very upset because, you know, what you do is give -- you know, maybe giving any reason to, as Mr. Gonzales said, to give someone a heart surgery when they really don't need it.

RUSH: That's Gregory Meeks, a Democrat from New York, attacking the regulator who was testifying about the problems at Fannie Mae and Freddie Mac in 2004. Rep. Ed Royce (R-CA)...

ROYCE: In addition to our important oversight role in this committee, I hope that we will move swiftly to create a new regulatory structure for Fannie Mae, for Freddie Mac, and the federal home loan banks.

RUSH: Democrat response, Rep. Lacy Clay (D-MO)...

CLAY: This hearing is about the political lynching of Franklin Raines.

RUSH: Ed Royce again...

ROYCE: There is a very simple solution. Congress must create a new regulator with powers at least equal to those of other financial regulators, such as the OCC or Federal Reserve.

RUSH: Do you see what's shaping up here? This is pure politics and it boils down to -- you can't avoid observing -- racial politics. We had a bomb, a time bomb waiting to go off at Fannie Mae and Freddie Mac which has gone off, it has gone off. We had regulators testifying, brought in by Republicans and Democrats, saying, "What do we need to do to stop this time bomb? What do we need to do to diffuse it?" "Well, we need new regulations. We need new oversight." No, you don't! You're not going to get away with kicking people out of houses and you're not going to conduct a lynching of Franklin Raines." Now Franklin Raines... Just stick with this. Gregory Meeks here attacks the regulator yet again.

MEEKS: What would make you -- why should I have confidence? Why should anyone have confidence, uh, in -- in you as a regulator at this point?

FALCON: Sir, Congressman, OFHEO did not improperly apply accounting rules. Freddie Mac did. OFHEO did not fail to manage earnings properly. Freddie Mac did. So this isn't about the agency engaging in improper conduct. It's about Freddie Mac.

RUSH: This is the Democrats going after Ken Starr investigating Bill Clinton. This is attacking the regulator, attacking somebody. Look, we all know now. Looking back in 2004, we all know the regulator is right. We all know the Republicans are right. We all know that the time bomb was ticking. We know that the time bomb has gone off. The Democrats are now using the time bomb to blame the private sector for this! Barney Frank, Nancy Pelosi, and Harry Reid to this day are claiming that what went wrong is the private sector, "greed on Wall Street." What is obvious is that what went on is Democrats in Congress propping up a failed institution for whatever reasons: minority interests, interests of the poor, votes from those interests, defending Franklin Raines -- who was a thief!

Franklin Raines stole the money out of Fannie Mae and had the employees there back-date and falsify letters and so forth, assets -- postdate them, predate them, to show that they were worth something, when they were worthless. That's how he scored his big payday. You can see the wagons being circled here, and it boils down to that the Democrats on this committee had no desire to have this fixed. They had no desire for any of the problems to actually be properly enumerated. Now, the Drive-By Media covered none of this. This is all from C-SPAN. None of this is from cable television or evening news programs or anything of the sort. Christopher Shays (R-CT) asks, "How many in this room are on the payroll of Fannie Mae."

SHAYS: And we passed Sarbanes-Oxley, which was a very tough response to that, and then I realized that Fannie Mae and Freddie Mac wouldn't even come under it. They weren't under the '34 act, they weren't under the '33 act, they play by their own rules, and I am tempted to ask how many people in this room are on the payroll of Fannie Mae. Because what they do is they basically hire every lobbyist they can possibly hire. They hire so many people to lobby and they hire some people not to lobby, so that the opposition can't hire them.

RUSH: Now, this is again another indictment of Fannie Mae, but let's go back and listen to Rep. Lacy Clay (D-MO), describe what he thinks is really going on here.

CLAY: This hearing is about the political lynching of Franklin Raines.

RUSH: It was not about the "political lynching" of anybody, and there's the racial politics. It's not even covert. There's the overt racial aspect of this that nobody is discussing and nobody is talking about, but it all happened on a committee in the House chambers, House office buildings, in 2004. Ladies and gentlemen, it is clear that there were people who tried to stop this. The Republicans. Again, just to illustrate, if there were a single Republican the Democrats could pin this on, there would have been congressional hearings, you'd have heard his name mentioned all weekend long. There is no such Republican in existence who can be made to take the heat for that. Here is Rep. Artur Davis (D-AL) defending executives at Fannie Mae.

DAVIS: The concern that I have is you're making very specific, what you have correctly acknowledged, broad and categorical judgments about the management of this institution, about the willfulness of practices that may or may not be in controversy. You've imputed various motives to the people running the organization. You went to the board and put a 48-hour

ultimatum on them without having any specific regulatory authority to put that kind of ultimatum on 'em. Uh, that sounds like some kind of an invisible line has been crossed.

RUSH: How about that? "You went to the board. You put a 48-hour ultimatum on them without having any specific regulatory authority to put that kind of ultimatum on them." What kind of authority are these same people asking for now? To let the Treasury Secretary ensure the public welfare! The Treasury Secretary, of all people! So as this goes on, you can clearly see and you can clearly hear, there was no desire on the part of the Democrats to even acknowledge that there was a ticking time bomb. Christopher Shays again, Republican from Connecticut.

SHAYS: Fannie Mae has manipulated, in my judgment, OFHEO for years -- and for OFHEO to finally come out with a report as strong as it is, tells me that's got to be the minimum, not the maximum.

RUSH: OFHEO is the regulatory agency that is under attack here. What Shays is saying is that Fannie Mae has manipulated the regulator for years and the regulator can take it no more. The regulator said: Look, I can't sweep this under the rug anymore. To come out with a report as strong as it is, detailing the problems and the ticking time bomb status of Fannie Mae and Freddie Mac, what Shays is saying is, "It's gotta be worse than they're saying, given how they've been manipulated in the past." Barney Frank...

FRANK: ...etcetera. Uh, I -- This -- You -- you -- you seem to me saying, "Well, these are areas which could raise safety and soundness problems." I don't see anything in your report that raises safety and soundness problems.

RUSH: "I don't see anything in your report..." This is a guy in charge of fixing this now. "I don't see anything in your report that raises safety and soundness." I don't see a ticking bomb here.

There's nothing going wrong here. Maxine Waters heaps praise on Franklin Raines...

WATERS: Under the outstanding leadership of Mr. Frank Raines, everything in 1992 has worked just fine. In fact, the GSEs have exceeded their housing goals. What we need to do today is to focus on the regulator, and this must be done in a manner so as not to impede their affordable housing mission, a mission that has seen innovation flourish from desktop underwriting to 100% loans.

RUSH: To people who can't pay 'em back! That's brought this system to a screeching halt and a perceived crisis. We need to focus on the regulator. Barney Frank says it was the private sector that caused this. Here are Democrats in Congress trying to destroy the credibility of the regulator -- while you have been led to believe that there wasn't enough regulation, that the private sector was running around like a bunch of drunken cowboys. I hope you're getting the picture. There is more to this.

RUSH: Now, back to these sound bites here from the 2004 House hearing. The regulator who is being attacked, I need you to know who this guy is. His name is Armando Falcon, Jr. He was the director of the Office of Federal Housing Enterprise Oversight, OFHEO, and was being attacked by all the Democrats on the committee in the sound bites which we will resume shortly. There is a story here from the Washington Post back pages, December 28, 2004: "There are no awards for moxie in regulating, but if such a program is ever established, supporters of Armando Falcon Jr., director of the Office of Federal Housing Enterprise Oversight, would probably nominate him. The tiny agency was created in 1992 to oversee Fannie Mae and Freddie Mac, two government-backed housing financiers with assets and mortgage guarantees adding up to more than \$3 trillion. ... It has David and Goliath features: a tiny agency taking on a gigantic company; Falcon, an unknown regulator

paid \$158,100 annually, going up against Fannie Mae chief executive Franklin D. Raines, who received \$16.8 million in cash compensation in 2003. ... Three months ago, Falcon and his agency dropped a bombshell: a report that concluded Fannie Mae committed numerous accounting and earnings mistakes. The investigation began after members of Congress blamed OFHEO for missing similar problems at Freddie Mac."

This is what Chris Shays was talking about. So the guys at OFHEO said, "Okay, we looked the other way, but we're going to get tough here." That brought the Democrats out to attack Falcon, and that's what you're listening to in the sound bites that we will resume here in just a moment. Now, a follow-up story, and I reference this moments ago, the AP, April 19th this year: "Franklin Raines, former chief executive, Fannie Mae, and two other top executives are paying a total of nearly \$31.4 million over their roles in a 2004 accounting scandal in a settlement that the government announced Friday." What was happening here, ladies and gentlemen, is that false signatures were used to aid Fannie Mae bonuses, and the same regulator that these people are attacking in the '04 hearing that you're going to hear us resume in a moment are now attacking Falcon for bringing all of this to light.

This is from the Washington Post of April 7th of 2005: "Fannie Mae employees falsified signatures on accounting transactions that helped the company meet earnings targets for 1998, a 'manipulation' that triggered multimillion-dollar bonuses for top executives, a federal regulator said yesterday. Armando Falcon Jr., director of the Office of Federal Housing Enterprise Oversight, said the entries were related to the movement of \$200 million in expenses from 1998 to later periods." Now, I just say all this to refresh your memory. The regulator found the abuses, and these are more than abuses. These are crimes. There were crimes. In 2004, we are playing for you sound bites of a House committee

hearing in which the regulator, Mr. Armando Falcon, is explaining what he found. The Democrats on the committee have decided to attack him, to discredit him because Fannie Mae, Freddie Mac has become for them at that time a way to get their constituents into houses they can't afford.

It was a ticking time bomb. Everybody knew it then. The OFHEO guy, Falcon, Bush, McCain, a number of Republicans were trying to sound the warning bells about the ticking time bomb. The Democrats didn't want to hear it, started attacking the regulator and everybody else saying there was a problem under the basis that this would challenge and harm this new affordable housing. Affordable housing thus now defined as people who can't afford houses being allowed to live in them at taxpayer expense, pure and simple. That's what affordable housing is. Let's resume now. Maxine Waters, just to replay this, heaping praise on Franklin Raines.

WATERS: Under the outstanding leadership of Mr. Frank Raines, everything in the 1992 act has worked just fine. In fact, the GSEs have exceeded their housing goals. What we need to do today is to focus on the regulator, and this must be done in a manner so as not to impede their affordable housing mission, a mission that has seen innovation flourish from desktop underwriting to 100% loans.

RUSH: Now, you're probably saying, "Why hasn't all this been mentioned by the Republicans in the past week? Why hasn't somebody stood up and said, 'Hey, folks, the problem that we supposedly have a crisis with was attempted to be solved numerous times,' and cite all this?" The Republicans that you're hearing here, many of them are still in the Congress, coulda stood up and said this. I can't answer the question, I don't know. I don't know why they're not standing up and saying this. I think everybody's become affected by the crisis, the psychological crisis here that has successfully been manufactured by the

Obama campaign and the Democrats and the media just five weeks prior to the election. Here is Democrat Lacy Clay of Missouri.

CLAY: I find this to be inconsistent and a rush to judgment. I get the feeling that the markets are not worried about the safety and soundness of Fannie Mae as OFHEO says that it is, but of course the markets are not political.

RUSH: Oh, the markets are not political, but the regulator is political all of a sudden. The regulator who has found accounting disasters, fraud, and theft throughout Fannie Mae and Freddie Mac can't be trusted because he's political. These guys want to believe the market back in 2004. The market, by the way, Congressman Clay, was being intimidated by a number of Democrats. "If you don't continue to make and service these loans, then you're going to be investigated." Here's Barney Frank again, same hearing.

FRANK: But I have seen nothing in here that suggests that the safety and soundness are at issue, and I think it serves us badly to raise safety and soundness as kind of a general shibboleth when it does not seem to me to be an issue.

RUSH: Barney Frank four years ago: "There's no problem here. I've seen nothing in here, the regulator's testimony, that suggests that safety and soundness are an issue. I think it serves us badly to raise safety and soundness as kind of general shibboleth." These guys knew it, they saw it, it was staring them right in the face and they wanted to attack the regulator. Let me ask you a question. You go into the hospital for a heart bypass, the doctor performing the surgery screws it up. Do you ask him to do it again on the basis he knows best what went wrong or do you go find a new doctor? I'm being serious, ask yourself, you go in for some sort of surgery and you find out that a finger was amputated by mistake, somebody got a report wrong, chart wrong, do you go back to the guy who amputated your finger and read the chart wrong and say, "Fix

this?" It's what we're doing here. The very people who designed this, they designed this to fail, it did fail, the very people who knew that it was in the process of failing have now been put in charge of fixing it, but they don't want to do it by themselves. They're demanding that Republicans vote with them to give them cover. Now, another Republican, this is Don Manzullo, (R-IL) calling out the Democrats by name who raked in money.

MANZULLO: Mr. Raines, 1.1 million bonus and a \$526,000 salary. Jamie Gorelick, \$779,000 bonus on a salary of 567,000. This -- what you state on page 11 is nothing less than -- than staggering. The 1998 earnings per share number turned out to be \$3.23 and nine mills, a result that Fannie Mae met the EPS maximum payout goal right down to the penny. Fannie Mae understood the rules and simply chose not to follow them. If Fannie Mae had followed the practices, there wouldn't have been a bonus that year.

RUSH: Okay, now, what's up next is unreal. Franklin Raines is being questioned by Christopher Shays. The second voice you hear on this bite is Franklin Raines, who was discovered to have committed major fraud and sent packing.



SHAYS: And you have about 3% of your portfolio set aside. If a bank gets below 4%, they are in deep trouble. So I just want you to explain to me why I shouldn't be satisfied with 3%?

RAINES: Because banks don't -- there aren't any banks who only have multifamily and single-family loans. These assets are so riskless that their capital for holding them should be under 2%.

SHAYS: Fine.

RUSH: These assets are so riskless. Franklin Raines, who will be in Obama's cabinet. Franklin Raines, who gives Obama advice on housing. Franklin Raines, who had to give back gazillions of dollars that he stole from Fannie Mae. A former director of the Office of Management and Budget for the Clinton administration, Franklin Delano Raines. You just heard him say the assets, subprime mortgages, all of these things that they bundled, riskless. Franklin Raines is a Democrat, by the way, 2004 congressional hearing. And let's close this out, ladies and gentlemen, with Bill Clinton finally on ABC's Good Morning America last week, Chris Cuomo says, "Is it a little surprising to you to hear the Democrats saying that this came out of nowhere, this was all the Republicans? Pelosi saying it's all the Republicans, she knew what was going on with the SEC. They're all sophisticated people. Is that playing politics in this situation?"

CLINTON: The responsibility that the Democrats have may rest more in resisting any efforts by Republicans in the Congress or by me when I was president to put some standards and tighten up a little on Fannie Mae and Freddie Mac.

RUSH: Okay, forget him inserting himself in there. He just admits here, the responsibility the Democrats have may rest more in resisting any efforts by Republicans in the Congress to tighten up a little bit on Fannie Mae and Freddie Mac. And you've just heard evidence. There ought be no doubt who caused this, and given that, why in the world anybody wants to put the same party in charge of all of this, under the guise that they're the ones that have the compassion, that they're the ones that care about affordable

housing, they are taking over the country. They are stealing the country with this legislation, and our nominee is out talking about earmarks.

YouTube of this:

[http://www.youtube.com/watch?v=\\_MGT\\_cSi7Rs](http://www.youtube.com/watch?v=_MGT_cSi7Rs)

False Signatures Aided Fannie Mae Bonuses (from 2005):

<http://www.washingtonpost.com/wp-dyn/articles/A32845-2005Apr6.html>

### **Few Reported Honestly on this Bail-out**

RUSH: I'm going to tell you why we're having fun here, because we're getting the truth out. This is a program exclusively devoted to the truth, a relentless, unstoppable pursuit of the truth. I don't say this bragging even though I can because it ain't bragging if you can do it.

I'm watching everywhere, there's one exception, there's a couple people on Fox and one person on CNBC that's getting this right. Other than that, this program and other similar programs on talk radio are the only place you can go to get the truth about what is happening here, what precipitated this, what caused it, and what the solutions are and what happened yesterday in the bailout vote. That's why we're having fun. I am jazzed here to be able to provide the truth to people, which is what we always do, and it's frustrating, but it's also comical to watch these so-called wizards of smart, the so-called elite media, they're not elite in any way you would define it, except a superiorist attitude. They're not elite in social standing, not elite in income, they're not elite in job status, they're not elites, period. But they are all on the same page and they are all blinded. They have blinders on. They are not interested in truth. Truth eludes them because they don't seek it. The truth is not even

afraid of these guys, in the Drive-Bys, because they're not trying to find truth.

Here's another reason why I'm having fun. As I alluded briefly in the previous hour, do you all understand the glorious opportunity this whole thing presents conservatism? We're just absent a conservative leader, but we've got the greatest opportunity we're going to have in I don't know how long. Every disaster, every aspect of this disaster can be laid at the feet of liberalism. The blame, we can show how this has happened time and time again, every time liberalism has unchecked power and unchecked control to assert itself, people are feeling miserably, in terms of economics, they are feeling the crisis. They're being told in the Drive-Bys it's the Republicans' fault. It's liberalism's fault. If there's somebody out there who could make this case, we could wipe out Obama in a landslide; we could retake the House and retake the Senate. It's just sitting there. It's like Allstate, we're in good hands here. It's right in the middle of our hands here, and yet our presidential nominee is out there saying, bipartisanship is tough. Bipartisanship isn't tough. Bipartisanship is gutless.

Bipartisanship is just like liberalism; it's the most gutless choice you can make. What's tough is standing on and for your principles when you and they are under assault. That's what's hard. That's what's challenging. Bipartisanship is easy. You simply compromise part of what you believe to go along with people who want to destroy you and say, "Look at me. I can get along with the other side." I could do that 25 times a day. We all could. That doesn't take any effort, just like it doesn't take any effort to be liberal. Now, I want to explain something I said in a previous hour. In talking about the blame game here, because I sit here and I smile at the opportunity it presents me. I still cringe at part of it, though. So much of the so-called conservative media is out there saying, with their hands wringing, "Both sides are at fault. This is a bipartisan problem. Both sides

have nothing to be proud of today." Wrong. Both sides are not at fault. Both sides are not to blame. I'll give you the names and you tell me what their ideology is. Barney Frank, Franklin Raines, Barack Obama, Jimmy Carter, Bill Clinton, Jamie Gorelick, Jim Johnson, Janet Reno, Chris Dodd, Nancy Pelosi, Harry Reid. Tell me, are any of them Republicans? Any of them Democrats? Yeah. Are any of them liberals? Are any of them conservatives?

There's one ideology here that's to blame here, and in the last hour I said the only thing that the Republicans screwed up was when they conducted oversight hearings in 2004 where the regulator came in and spelled out the problems. Four years ago at Fannie Mae and Freddie Mac, Republicans didn't do anything about it. Well, here's why. As was pointed out yesterday, this whole subprime thing and the whole concept of lending to people who never, ever stood a chance of paying back the loans over the turn of the loan, it's a racial thing, it's a minority thing. You listen to what Barney Frank was saying yesterday and Maxine Waters and Lacy Clay, the things we pointed out they said four years ago. It's clear what this was about. The liberals use race to get away with everything because it stifles any legitimate criticism. Imagine, 2004, if those hearings had occurred and the Republicans said, okay, we're going to clean this mess up, we're going to shut this down and Franklin Raines is gone, we're going to do this, that, and the other thing, we're going to straighten this out, you know what would have happened?

Barney Frank, Lacy Clay, Maxine Waters, would have brought into the committee room an endless parade of minorities looking as bedraggled and near homeless as they could make 'em, and they'd be blaming Chris Shays and all these other Republicans on that committee for throwing these people out of their homes. The Republicans knew that, and so they said, "There's no reason to tackle this. We'll be defeated in our own reelection." So this whole business of pandering to minorities, affordable housing,

meaning they get a house without being able to pay for it or even having to pay for it, shuts off any attempt to correct it. This is a stratagem that the left uses constantly and frequently. It's on display now in the presidential campaign. If Barack Obama loses it's strictly because he's black. It's not because his policies are reckless and dangerous, not because he's incompetent, it's not because his associations and he, likely, are nothing but extreme radical leftists who want to remake this country as socialist, oh, no, no, no, wouldn't have anything to do with that. It's just because this country is racist and black.

Now, I've checked the e-mails. People disagree with me, I understand this. Well, no, I don't understand it. After 20 years plus, I don't understand how anybody would disagree with me on anything. You always know that at the end of the day I'm proven right on this stuff. So I mentioned yesterday that the Pelosi Democrat Congress got exactly what she wanted. She wanted this bill defeated and she wanted the media blaming Republicans for it, and Barney Frank and the guys went out there on cue, blamed Republicans, blamed McCain, the AP today with the big story, bailout failure lends credence to McCain's incompetence. He flew into Washington, couldn't get it done, it's a Republican problem, they got exactly what they wanted. They got Armageddon, they got crisis, they got destruction, they've got Great Depression 2, and they've got the media out there running interference for them claiming it's a Republican problem. This is election-year politics.

New York Times today: "'Lawmakers Grope for Resolution as They Attempt to Avoid Economic Calamity' -- In the end, only 65 Republicans -- just one-third of those voting -- backed the plan despite personal pleas from President Bush and encouragement from their presidential nominee, Senator John McCain. By contrast, 140 Democrats, or 60 percent, voted in favor." Well, that's not the story. The story is that 40% of

Democrats voted against it. Not the percentage of Democrats that voted for it. Forty percent of Democrats voted against the bill and the Republicans saw that happening, and a lot of these Democrats voting against it are in highly contested reelection races in their districts. When the Republicans saw these guys voting against it, they knew full well what was going on. Democrats can go out and campaign for reelection, "I voted against that bill, you know it, I know it. You weren't for it. I heard what you said, reelect me." And then it even says, "People's reelections played into this to a much larger degree than I would have imagined," said Representative Deborah Pryce, a former member of the Republican leadership who is retiring. They saw it. They saw that reelection was what this is about.

Why should the Republicans put their necks in the noose for this when the Democrats, in tight races, were going to vote against it in order to get reelected? And why were they going to vote against it in order to get reelected? Because they knew even in Democrat districts their constituents were mightily opposed to this. So they saw what was coming. Also, from The Prowler today at the American Spectator: "House Speaker Nancy Pelosi ordered her Majority Whip, Jim Clyburn, to essentially not do his job in the run-up to the vote on Monday for the negotiated Wall Street bailout plan, according to House Democrat leadership aides. 'Clyburn was not whipping the votes you would have expected him to, in part because he was uncomfortable doing it, in part because we didn't want the push for votes to be successful,' says one leadership aide. 'All we needed was enough to potentially get us over the finish line, but we wanted the Republicans to be the ones to do it. This was not going to be a Democrat-passed bill if the Speaker had anything to say about it,'" quote, unquote, Democrat leadership aide. This was not going to be and it never was going to be a Democrat passed bill.

They were going to hang this around the Republicans' necks just like they attempted to lose in Iraq and hang that around Bush's neck. "During the floor vote, House Majority Leader Steny Hoyer and House Democrat Conference chair Rahm Emanuel could be seen monitoring the vote on the floor, and gauging whether or not more Democrat votes were needed. Clyburn had expressed concerns, says the leadership aide, of being asked to press members of the Black and Hispanic caucuses on a bill he was certain those constituencies would not want passed." Do you realize the Congressional Black Caucus voted against this? "It worked out, because we didn't have a dog in this fight. We negotiated. We gave the White House a bill. It was up to the Republicans to get the 100 plus votes they needed and they couldn't do it,' said another Democrat leadership aide. Emanuel, who served as a board member for Freddie Mac, one of the agencies that precipitated the economic crisis the nation now finds itself in, had no misgivings about taking a leadership role in tanking the bill. 'He was cheerleading us along, mothering the votes,' says the aide. 'We wanted enough to put the pressure on the Republicans and Congressman Emanuel was charged with making it close enough. He did a great job.'" They just fell a little short.

So contrary to everybody badgering the Republicans for saying they got upset and changed their vote because of Pelosi's speech, that may be what they said, but that's not what changed their votes. They simply were paying attention. They were simply paying attention to what the Democrats were doing on the House floor, how they were voting, and they saw what was coming. They saw this whole thing was going to be hung around their neck. Everybody up there knew that 80% of the American people wanted no part of. That's why Pelosi wanted to hang it around the Republicans' neck if she could. Now, regardless of what CNN, the New York Times, the Washington Post might say about yesterday's vote, the Democrat leadership knew

exactly where they were. They knew the math just didn't add up. They went ahead and they held the vote. The Dow plunged 778 points, some members of the majority have gone around saying that the Democrat leadership was being a little less than honest about how many votes they had. They knew their count and where we were, and knew it wasn't enough.

This is an indictment. They knew they were going to lose. They knew, and they still went ahead, Pelosi did, and trashed the market with this. Here are some vote tallies that are interesting. "The number of additional votes needed to pass the bailout was not many. They needed 12. The number of Democrats on Barney Frank's committee who voted "no," 12. The number of Democrats total who voted "no" on the plan, 95." Had Barney Frank been able to get his committee members to vote or Pelosi, the Democrats, or had Barack Obama bothered to pick up the phone and support the plan that he said he favored, it would have been passed. "Aides to Obama said he had not directly reached out to try to sway any House Democrats who opposed the measure." Democrats had the votes to make this pass. They didn't want it to pass with their votes being the majority. They wanted to hang this around the necks of the Republicans.

RUSH: John Boehner, the House Republican leader, put out a statement today. "The presidential candidates' support for increasing the FDIC cap is welcome news. Increasing the FDIC cap is a proposal put on the table by Roy Blunt and House Republicans but ruled out by Democrats during the negotiations that led to yesterday's unsuccessful vote." So what Boehner is saying here, is, "Hey. We tried, we tried to up the FDIC insurance cap from a hundred grand to 250, but the Democrats said, 'No, wouldn't let it be part of the bill.'" So today Obama is out claiming it's his idea and wants it in the next bill, wants the president to do it, and McCain's out there saying it's his idea, too, when it was the Republicans' idea, and it was thrown out by the

Democrats. Interesting piece from The Politico, by the way.

Who wrote this? I want to make sure I properly credit them. Ben Smith and Glenn Thrush. "Meanwhile, neither [presidential] candidate appears to have fully grappled with the force that brought the House bill down: its deep unpopularity. Many of the 'no' voters are members of both parties facing tough reelection campaigns, and many challengers [of these guys] announced they would vote no in the hope of drawing a contrast with a threatened incumbent. The two presidential candidates have signaled they would support a compromise, though neither formally signed on to the House bill." Boy, there's so much profundity in the news today! "[N]either candidate appears to have fully grappled with the force that brought the House bill down: its deep unpopularity." That's just a side light. That's a, "Eh, no big deal. So the public doesn't want it. Screw them! What do they know? Is the attitude of Washington on this," and they failed to grapple. McCain being out there talking about bipartisanship is a tough thing. Ugh.

Bankruptcy, not a bailout:

<http://www.cnn.com/2008/POLITICS/09/29/miron.bailout/index.html>

## Who's to Blame Matters

RUSH: Once again checking the e-mail here in the obscene profit time-out. People think, "Rush, can't you move on from this? I mean, it's going to pass. The bailout is going to pass, and it's going to be law. Let's move on. There are other things out there. We've got Gwen Ifill and the Palin-Biden debate tomorrow." We're going to get to all that. Let me tell you why this is important. Let me tell you why this blame business is important now. Somebody is going to get blamed for this, right now. Somebody's going

to get blamed. The Democrats have been desperate to find a Republican to pin this on, and they can't. There isn't a Republican anywhere in sight who has any culpability in this. Yet before this is all over and before it's all fixed, the Democrats are going to blame somebody.

McCain is out there saying, "No, we've gotta deal with the blame later. Right now we gotta fix the crisis." Well, the problem for Senator McCain is, he is losing ground in the polls. I don't care why. I'm being flooded with paranoid people concerned about how the press has destroyed Palin. We've got polling data today that says that the media coverage of Palin is why McCain is plummeting in the polls. I don't care why. He has to do something to stop it. By "plummeting," he's down six in some polls, down eight in others. We all knew the Drive-Bys were going to destroy Sarah Palin. We all knew they were going to try it. We all know why; she's not one of them.

It's just like Clarence Thomas. Like I said when the first assault hit on her weeks ago, "They had to destroy Thomas 'cause he didn't go through the liberal prescriptions to get where he is." It's the same thing with Sarah Palin. So let 'em have at her. We knew it was going to happen. I don't want to go (crying), "I can't believe what the media is doing to Palin!" There is a way to fix both of these things, but if McCain is unwilling to assign blame here... This thing right now is all economy, economy, economy, and the Democrats know it. The people in this country are angry and there is hell to pay out there right now, and part of hell to pay is figuring out who's responsible for this. Now, Senator McCain says that he wants to stay above the fray, that now is not the time to assign blame.

Well, the problem is he's not hearing the public. He is not aware of the visceral rage and anger out there. It is indeed time to assign blame. We're talking financial destruction on the part of a lot of American families. Somebody's going to get blamed, you can damn well count on it, and the

Democrats are not going to wait until January to assign blame. In fact, I'll guarantee you right now you know who's getting the blame for this? McCain! You can see it effervescing out there. "Yeah, McCain came off the campaign trail, big grandstand play. Went there to settle the crisis, nothing happened, had to leave. McCain's ineffective. McCain didn't get anything done." CNN blamed me yesterday, but that's inconsequential.

Now, C. Edmund Wright writes a piece today at the American Thinker called, "Time for McCain to Name Names -- "[S]hort of properly assigning blame to the liberal policies and politicians who are responsible for this mess, the blame will automatically fall to the current Presidential administration and by extension, his party. Right or wrong, that's how our politics play out. McCain simply has no choice now. He will start doing what he claims he loves to do related to government corruption -- naming names..." In that debate the other night, I got worn out listening to him talk about all the people from Washington who are in federal prison because he went after 'em on corruption. Senator McCain, there are some people serving in Congress today, sir, that need to be federally prosecuted.

There are some people who used to work at Fannie Mae and Freddie Mac who need to be prosecuted and sent to federal prison, so they can be prison mates with all these other guys who seem happy they are there. It is indeed time to name names. 'Cause if Senator McCain does not name "names he will be thrown on the ash heap of electoral shame alongside Bob Dole, George H. W. Bush and so on." He set the stage for naming names. He set the stage for being anti-corruption with his remarks in the first 45 minutes of the debate last Friday night. Now, Mr. Wright says this: "The good news for McCain, should he decide to grasp it, is that the party against which he is (supposed to be) running can easily be pegged with the lion's share of the blame regarding our economic meltdown. There

is no doubt that liberal policies on energy and housing have combined to put the country in this situation, and only unwinding these policies will lead the nation out of this problem.

"Naming names properly will name a whole lot of folks with 'D' beside their names. Congress, of course, is now led by the very people who put us into this mess to begin with. If McCain thinks he can thread the needle in a bi-partisan fashion here, he is sadly mistaken. If he does not point out the facts, then his party will take the blame for and he will not win the election. ... As far as he has run from President Bush, he will never get as far away from Bush as Obama can. ... Recently he has been out rambling on about government spending, CEO pay and earmarks." He did that at the debate Friday night. "Yawn. None of this is pertinent unless you point out that Fannie Mae and Freddie Mac were Democrat earmarks and that the worst CEO pay abuse in recent memory is Franklin Raines'," his "incentive compensation from Fannie triggered by fraudulent accounting. McCain did not bother to point any of that out of course. We must not 'assign blame.' ... [I]f McCain will not assign blame," and go after corruption like he claims to want to go after corruption -- right now! -- he's in big trouble.

RUSH: We're going to go to Sewell, New Jersey. This is Katherine. Glad you called. Great to have you on the EIB Network.

CALLER: Oh, thank you, Rush. Listen, I love you, Rush, but we need to get Senator McCain in the White House, get him in the White House. Don't keep bashing him with this fair and balanced radio. We don't hear any of these other liberal stations bashing Obama. Get him in the White House however you can.

RUSH: What do you think we're trying to do here, madam?

CALLER: I know, Rush, but listen, you kill me when you say things against McCain. It kills me because we're in trouble.

RUSH: What am I saying against McCain?

CALLER: Well, you know, you said that he needs to assign blame. Get him in the White House and then he'll get the blame on.

RUSH: No, okay, look.

CALLER: All right, I don't know as much as you do.

RUSH: This is not a criticism; it's a piece of hopeful advice. Let me put this in perspective for you, Katherine.

CALLER: Okay.

RUSH: Do you remember a hurricane called Katrina?

CALLER: Yes.

RUSH: Well, do you remember all of the blame the Bush administration and the Republican Party got for that?

CALLER: Oh, I know.

RUSH: Do you realize that virtually all of what went wrong in Hurricane Katrina, with the levees not being built right, the people not being evacuated, was Democrats?

CALLER: Yes. Yes, I do.

RUSH: All right. Well, then jump forward to this.

CALLER: Hm-hm.

RUSH: You didn't hear what I said, if McCain doesn't get involved in this, he is going to get the blame for this mess --

CALLER: Yes.

RUSH: -- and that's going to kill any chance he has of getting elected. He has got to identify who's responsible for this.

CALLER: Okay.

RUSH: There is a public clamoring for this. There's a public clamoring for a leader who relates to them, who understands them, who's able to voice their anger and fix the problem so it doesn't affect them again.

CALLER: Well, now, see, I love you, and I love what you say, and I know you're right. It's just that I'm getting panicked because I don't want Obama in the White House. That guy scares the heck out of me. That guy is dangerous, he's dangerous.

RUSH: I agree more forcefully than you are saying, plus he's a squirrel.

CALLER: All right, listen, you change my mind all the time. Now I'll go with you.

RUSH: I'm not being critical of Senator McCain here.

CALLER: No, I know you're not.

RUSH: It may sound like it. What I'm trying to do is -- I'm just sharing my -- for whatever it's worth, I know with them it's worthless because they don't trust me at the McCain campaign, they don't particularly like me, but believe me, I'm not advising him to do things that are not going to help. I know how the Democrats operate, and right now they're looking for a way to blame this on McCain, and they're very close --

CALLER: Oh, yes.

RUSH: -- to saying he went in there and made a big grandstand play, didn't get anything done. Yada yada yada.

CALLER: You know what, Rush, they're going to do that anyway. They have killed Bush so badly --

RUSH: Yeah, and guess what, guess what? Bush doesn't name names, either. Bush doesn't come around and respond to it, either. And look where Bush is.

CALLER: I know.

RUSH: Katherine, I'm telling you something, this is war out there, this is political war. The aggressor in any conflict like this sets the rules. You can sit there and say, "I'm going to be honorable. I'm going to stay above all this. I'm not going to name names. I reach across the aisle." You know what that tells people? "I'll criticize Republicans, I'll do what I can to put corrupt Republicans in jail, but I'm not going to mess with my Democrat buds because I like to cross the aisle." He can't name names in one of the biggest political economic scandals in history? Hell's bells, folks, the Democrats will say this is the worst thing to happen since the Great Depression or the worst thing to happen economically since World War II. Name names. How we know that Senator McCain will root out corruption if he will not call for Barney Frank and Chris Dodd's resignation now? How do we know he'll stop mindless government spending if he won't vote against it now? The bailout bill could bail out McCain's campaign. Instead he's letting it be used as cover for the people who caused this. This is not straight talk.

You know what, America is waiting for a sheriff to roll into Washington and clean the place up, and McCain says he's the guy. He's been given a golden opportunity here to prove that he is the change everybody has been waiting for. Americans want change in a way that Obama can't even imagine. I think McCain, I think the Republicans are looking at a series of hanging

curveballs here, but because they're in Washington, because they read the neutered conservative intelligentsia media, they don't understand the golden opportunity that they have. How about a speech that speaks truth to power, specific truth? Do you think Main Street would like that? I think there's an opportunity here waiting to be had. But the whole point about blame, I don't mean to sound childish like, "It's your fault, it's your fault." "No, it's your fault, it's your fault." I'm talking about political reality. The party in power's going to get the blame for this when they had nothing to do with it. The party in power is going to get the blame for this. It's just the way it works. Somebody is going to have to go out there and say, "Nope, party in power didn't do this. Party in power tried to put the fires out." If the guy leading the party in the presidential race is not willing to do it, well, then you figure it out. Figure out what it all means and where it's headed.

By the way, speaking of the blame, let me just read to you a portion of a Wall Street Journal story in 2006 that confirms what I have told you here about this scandal being larger than Enron -- think back how mad you were about Enron, and think what the Democrats did. The Democrats went and got every Enron employee they could find and put 'em on television, "My investment is gone, my 401(k) is gone, my pension is gone, look what Ken Lay did," and Ken Lay was a Bush buddy. Have you seen anybody supposedly hurt by this scandal paraded on television by the Democrats? Nope. Wall Street Journal, this is February 24th, 2006: "A report commissioned by Fannie Mae's board depicts executives of the big mortgage company fretting about how to increase their bonuses and pursuing an investment in a small Florida bank partly to score political points. The report by a team of lawyers headed by former Senator Warren Rudman released yesterday morning also says former executives misled directors about accounting manipulations that helped increase earnings and bonus payments for 1998. It chronicles a vast

array of other accounting violations and concludes that many of the mortgage financed company's policies were 'motivated' by a desire to show stable earnings growth and hit earnings targets, thereby bumping up the bonuses of the executives."

This is why, ladies and gentlemen, I get steamed. There is steam pouring out my ears when I turn on the TV today and I watch Obama in La Crosse, Wisconsin, talk about Wall Street fat cats gaming the system and how that's going to come to an end. This is not a capitalist problem. This is a government problem. The thing Obama says he wants to root out -- fraud, fat cats getting their hands on a pile of money that's not theirs -- hello, Obama! It's the Democrats who did this! Your advisors at Fannie Mae, and in an ancillary fashion, Freddie Mac. There are so many lies being told, there is so much deceit, there is an intricately woven web of deceit here that the Democrats have spun, and it's just being reported hook, line, and sinker, everybody is falling for it hook, line, and sinker. So Obama goes out, (paraphrasing) "I'm going to make sure those Wall Street fat cats, they don't do this." They didn't do this to the extent they're involved. They were under the gun. They were told to make loans to people who couldn't pay 'em back, or else!

It's just like Katrina. Bush took the hit for this. He didn't do anything. It was Democrats running New Orleans, it was Democrats running Louisiana, screwed it up. From evacuations to shoring up the levees to using the money they were given to shore up the levees legitimately. You put a big pile of money in front of Democrats and they're going to find a way to get it and blame Republicans for letting them. It's just absurd what is happening here. This is why, to me, the blame game is crucial. The blame game to me is part of the presidential election. Folks, look. Fannie Mae, Freddie Mac, what do they do? They extended loans to people who couldn't pay 'em back. Charles Gasparino, Newsweek

reporter now at CNBC who covered the story, gave his theory on a December 28th, 2004 edition of CNN's News Night with Aaron Brown.

Mr. Gasparino called Fannie Mae a politically correct company. He said, "They do all the things that, let's face it, liberal journalists like. They put home mortgages out there for poor people, and so right now beating up on Fannie Mae is kind of politically incorrect, you can't do it, just can't do it." This was 2004. Can't beat up on Fannie Mae, by design. Who are they lending money to? Who are people that can't afford it? The poor? Minorities? There was one story that an illegal immigrant got \$400 grand to buy a house! An illegal immigrant, \$400,000 to buy a house. Or close to -- I don't think he got 400,000, he bought a \$400,000 house, is what it is. Regardless, you know what we're really talking about here? In a sense, we're talking about reparations. Fannie Mae and Freddie Mac were used to pay reparations and that's why we can't take the money back by foreclosing.

American Thinker: It is time for McCain to name names:

[http://www.americanthinker.com/2008/10/time\\_for\\_mccain\\_to\\_name\\_names.html](http://www.americanthinker.com/2008/10/time_for_mccain_to_name_names.html)

Should Congress be Perpwalked?

<http://www.ibdeditorials.com/IBDArticles.aspx?id=307667278225125>

## **Obama: "Put out the fire first"**

RUSH: Here is Obama yesterday in Reno, Nevada, on the campaign trail.

OBAMA: Now is the moment for us to come together and put the fire out. I mean, think about it! Think about it. I-if your neighbor's house is burning, you're not going to spend a

whole lot of time saying, "Well, that guy was always irresponsible. He always left the stove on. He always was smokin' in bed." All those things may be true, but his house could end up affecting your house -- and that's the situation we're in right now. We've got to make sure that we put the fire out, and then we'll start making sure that these folks stop leaving the stove on.

RUSH: So here's Obama basically saying he sees a fire (laughing). He sees a fire and he says, "Somebody put that out, somebody put that fire out." He's not the guy to run get the bucket of water. He sits there and wants to focus on the guy whose house started on fire, maybe why, but we don't have time to blame the guy yet. We'll blame the guy later, but in the meantime somebody put that fire out. He keeps saying, "Let's put the fire out," but he does nothing. Listen to this. Same rally yesterday, Reno, Nevada.

OBAMA: Uh, I will be calling members and, uh, getting their ideas. The -- the main thing is to just move away from this hyperpolitical, uh, eh, environment and recognize the house is on fire, let's put the -- let's put the fire out first and then we can figure out, uh, what caused it.

RUSH: We know what caused it. Folks, this is so infuriating. It's maddening. We know what caused it. We know people like Obama and ACORN -- and, by the way, in that preamble here to the Senate bill, "preserve housing"? What does it say? It says "preserve home ownership." If that isn't a toss to ACORN, I don't know what it is. This obviously meant Project Hope. This is obviously aimed at preserving minority home ownership. It's code language for this. It's preserving home ownership for people who can't pay for it, pure and simple. The Senate bill has that in there. And Obama sits there and says we gotta figure out what caused it? We know what caused it, and in order to prevent it happening again, the same people that caused it cannot be involved in the fix, and yet they are.

RUSH: Now, Obama, back to him for one more sound bite. This is in Reno yesterday, and reporter John Berman of ABC News interviewed him. He said, "You're a very persuasive man. You have a certain amount of influence in your own party. Could you have done more -- should you have done more -- before the House vote yesterday to lobby for votes?" Now listen to this answer.

OBAMA: Oh, absolutely not. Uh, because if you think about it, there was a deal struck between, uhh, Nancy Pelosi and, uh, the Republican leader, Boehner. Uh, the... Uh, the Democrats were supposed to get 120 votes. They got 140. So there was no sense on the Democratic side that we weren't following through on our commitments. Uh, and apparently there were some problems on that side. I don't think me calling House Republican members would have been that helpful. I tend not to be that persuasive -- heh -- on that side of the aisle.

RUSH: Wait a minute, Barry! You're the great unifier! You're the guy who can bring everybody together. You didn't want to call the Republicans? You didn't want to call the Republicans 'cause you tend not to be that persuasive on that side of the aisle? By the way, his description of the setup on this is entirely wrong. It's so wrong, and he's got to know how wrong it is, that this has to be a lie. Democrats were supposed to get 120 votes, they got 140? "No sense on the Democrat side that we weren't following through on our commitments"? This bill in the House was set up by Pelosi to fail! She wanted it to fail. She wanted to create an election-year issue, trumping the Republicans. She's getting creamed, by the way, in a lot of Drive-By Media outlets for her lack of sense, lack of leadership, lack of ability, lack of competence. Not a whole lot. You know, just a few indiscriminate newspapers here and there.

RUSH: We'll start in Berlin, Vermont. This is Chris. Nice to have you on the program, sir. Hello.

CALLER: Hi, Rush. What an absolute honor. Mega firefighting, golf playing dittos from Vermont.

RUSH: Thank you, sir.

CALLER: Sir, I was listening to your cut of Mr. Firefighter Obama, and I thought it odd or telling about the Democrats that when they go to put out a fire, it's because it might impact their house, not because it might save somebody's life or it's the right thing to do.

RUSH: Well, here's the thing about Obama's little example here, you have a house on fire. And Obama says, "Put it out, put out the fire!" That's always a good idea, think you'd agree with me there, Chris.

CALLER: Absolutely.

RUSH: Putting out a fire is a good idea. But there are still some arsonists running around the neighborhood and they've got gasoline and they've got matches.

CALLER: Amen.

RUSH: And it just so happens, Barack, they are your supporters and they are members of your party. Your party is starting the fire. So you can sit there and say, "Put out the fire," you can say, "Somebody get some water," you can say, "Put out the fire." But until we get your supporters to stop setting the fires, Obama, we're going to have continual problems. If we don't catch the people, the arsonists, and stop 'em, more houses are going to burn. You get it, Obama?

CALLER: He doesn't get it, Rush. But my point was he's not wanting to put the fire out because

it's the right thing to do. He wants to put the fire out because it might impact his house.

RUSH: Yeah. I can see where you could get that from what he said. But that's his technique of trying to let people know that he's concerned about their house.

CALLER: Yeah. I don't buy it.

RUSH: Not his. But don't think he doesn't know what he's doing, in this regard. Let me tell you something. Look at me. Every Democrat involved in this mess, and you know the names: Dodd, Frank, Pelosi, Durbin, Schumer, Reid, Raines, Johnson, Obama -- they all know who's responsible for this. Every damned one of them knows they are. That is why they are hell-bent to shift the blame here to Wall Street, or, as Obama did today, Halliburton. They are hell-bent on convincing as many people as possible -- and they have the Drive-By sycophant media marching in lockstep with their spin on this. They know full well who caused this. They don't care about the damage that's been caused here. They don't want to lose the positions of power they have over these two institutions. They don't want to lose these institutions, Fannie Mae, Freddie Mac. They do not want to lose the political financial power that they have by controlling these two places. They know fully well what they've wrecked. There's no remorse. There is no apology. There is just the shifting of blame. Everything these people try to fix, they make worse.

This is Frank in Orlando. Hello, Frank. Great to have you on the EIB Network. Hello, sir.

CALLER: Rush, Rush, what a pleasure to talk to you.

RUSH: Thank you.

CALLER: I have three children, and my wife and I are both working two jobs to pay off mortgages.

What message are we sending out to those people who are working seven days a week to make ends meet, to pay their mortgage, and now, I'm not getting a bailout, I'm not getting a handout. What message is the government sending to all of us?

RUSH: Well, you want a truthful answer to this?

CALLER: Yes.

RUSH: The government is saying to you, "Deal with it, you're part of a majority. We gotta help low income and poor people who can't afford houses stay in them. It's only fair. It's not right you should be able to pay for a mortgage and they shouldn't be able to have a house. So you keep paying yours, otherwise we'll foreclose on you."

CALLER: Exactly.

RUSH: You keep paying your mortgage and you keep paying your credit card bills, you keep paying all this debt you piled up, but these other people, they've been treated so badly for so long, they're not well thought of, they're the dregs of society, but they vote for the Democrats and it's just not fair that they don't have homes and cars and so forth, and we're going to see to it that you, because you've had an unfair advantage as a member of a majority all these years, you're going to pay to make sure that they get what you have. That's the message to you, buddy, if you can deal with it.

RUSH: I want to replay a Barack Obama sound bite from interview yesterday, ABC News John Berman talking to Obama in Reno Nevada. Said, "You're a very persuasive man. You have a certain amount of influence with your own party," which I wish to debunk. "Could you have done more -- should you have done more -- before the House vote to lobby for votes?"

OBAMA: Oh, absolutely not. Uh, because if you think about it, there was a deal struck between, uhh, Nancy Pelosi and, uh, the Republican leader, Boehner. Uh, the... Uh, the Democrats were supposed to get 120 votes. They got 140. So there was no sense on the Democratic side that we weren't following through on our commitments. Uh, and apparently there were some problems on that side. I don't think me calling House Republican members would have been that helpful. I tend not to be that persuasive -- heh -- on that side of the aisle.

RUSH: They talk about Palin's interviews with Couric. This guy thinks the question is, he shoulda called Republicans and he's not going to call Republicans since he's not that persuasive. He's not that persuasive with people on that side of the aisle. He's the great unifier. He represents hope and change, a new America, a new world, but he's not going to try to persuade Republicans. But here, his answer -- and he was handed talking points by Pelosi. Remember, now, that the Congressional Black Caucus voted against the bailout. You mean to tell me, while Obama is sitting here saying, well, you know, I'm not that persuasive with Republicans on the other side of the aisle, you mean to tell me that Barack Obama couldn't convince most members of the Black Caucus to vote for the bill? If he can't persuade the Black Caucus and he can't persuade the Republicans, then what good is he? Maybe Obama can tell us exactly what he did do to try and get the bill passed. Obama says we should all come together, that we should all sacrifice. It seems to me that Obama talks incessantly but does nothing. What else does he do?

Would somebody tell me what he does besides talk? What did he do? Who did he call? He didn't even sacrifice a minute of campaigning to push this bill. He creates false scenarios to explain his inaction, and if things go well he takes credit for leadership. If nothing gets done, he blames the Republicans. The guy is a fraud. He's a squirrel, he's a fraud. Ninety-five Democrats

voted for the bill that he says he wanted, and all he needed to do was get about 12 more of them, and he didn't because he didn't try because he didn't want to. And now he wants to take credit if something happens after the fact and wash his hands for something that did not happen. The guy is pathetic. But, folks, I'll tell you something about this talking business. I saw something today that astounded me. William F. Buckley, the founder of National Review and the father of our modern conservative movement, recently passed away, peace be upon him, has a son, Christopher. Christopher is a writer, a humorist, lives in Washington, DC, and is going to vote Obama.

Mr. Buckley's son says he's tempted to vote for Obama because he read his books, and his books are so well written that anybody that can write that well has to be thoughtful. And if he thinks that clearly, and if he's able to write that well, then maybe he's worth supporting. Then Christopher Buckley said, but we'd have a problem if he gets in there and starts doing a bunch of liberal things, like raising taxes and so forth. What? I'm reading this and I'm in stunned disbelief. But it opens my eyes to something that we all know and we've all become familiar with. I do not have enough hands, fingers, toes, whatever, to count the number of people over the last six years, seven years when I travel around the fruited plain, Republicans and Democrats alike, who get so frustrated that President Bush is not as articulate as they wish he were. The fact that he is not articulate leads people to believe that he's not intelligent. So here comes Obama, and he's articulate, he's "elegant," one of our commentators said, he's thoughtful, he's intellectual, he's reasoned. I'm telling you, there are a lot of people that are being bamboozled by the ability to speak because they're ignoring what he's saying, they're ignoring who he is, they're ignoring who his friends are, they're ignoring his stated agenda and his policies. All that matters is that we have somebody representing the country on television every day as president who sounds smart.

Do not underestimate this as a factor in the way certain people are going to vote. It's telegenics, it's television, it's media, it's depressing. It's depressing, is what it is, but this is where we are.

## Additional Rush Links

Community organizers and the subprime mortgage premise (outstanding article):

[http://www.nypost.com/seven/09292008/post\\_opinion/opedcolumnists/os\\_dangerous\\_pals\\_131216.htm?page=0](http://www.nypost.com/seven/09292008/post_opinion/opedcolumnists/os_dangerous_pals_131216.htm?page=0)

Thomas Sowell asks, if the Dems caused the current financial credit crisis, why should we depend upon them to fix it? I only discovered Sowell a few months ago and he is an excellent columnist.

<http://article.nationalreview.com/?q=OWE3OWU3OTExYzNINTUzMzY2YmJmOWZjMzcwN2M1NjU=>

\$700,000,000,000 would pay off every US mortgage less than \$75,000. *That* is a bill I would vote for.

<http://wizbangblog.com/content/2008/09/30/understanding-7000000000000000.php>

Are we in or heading for the Great Depression of 2008?

<http://online.wsj.com/article/SB122272238714287459.html>

TalkRadio was against this bail out:

<http://www.reuters.com/article/topNews/idUSTRE48T5Y020080930>

However, conservative TalkRadio is not monolithic. Michael Medved was consistently for this bailout.