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# National News

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## Senator Inhofe: Paulson Threatened Martial Law

Sen. James Inhofe (R-Okla.) said Nov. 20 that it was Treasury Secretary Henry Paulson who personally told members of Congress that there would be martial law in America, if they did not pass the bailout of the banks as demanded by the Bush Administration.

Inhofe, speaking on KFAQ radio in Tulsa, has confirmed who it was that issued this threat. Interviewer Pat Campbell asked Inhofe, "Somebody in D.C. was feeding you guys quite a story prior to the bailout, a story that if we didn't do this, we were going to see something on the scale of the Depression; there were people talking about martial law being instituted, civil unrest. Who was feeding you guys this stuff?"

Inhofe replied, "That's Henry Paulson.... The 19th of September, we had a conference call. In this conference call, and I guess there's no reason for me not to repeat what he said, but he said, he painted this picture you just described. He said, 'This is serious. This is the most serious thing that we faced.'"

Inhofe has demanded that the remaining funds not already given away be taken back by the government.

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## Paulson May Be Hit With Criminal Probe

The political newsletter *The Big Picture*, produced by Richard Whalen, a longtime Republican Party strategist and author, has reported that Sen. Charles Grassley (R-Iowa), the ranking Republican on the Senate Finance Committee, has written to the Treasury Department inspector general, Eric Thorson, demanding an investigation into a conflict of interest involving Treasury Secretary Henry Paulson. "Grassley's immediate concern," Whalen wrote, "questions the 'relationships' between ex-Goldman Sachs officials now

serving in Washington and Board members at two merging banks, Wells Fargo and Wachovia. These 'relationships' gave the 'appearance of preferential treatment,' to the tune of nearly \$20 billion in tax savings for Wells Fargo. This was done by making a tax code change without Congressional approval."

Whalen documented the sequence of events, beginning in late September, when Robert Steel, a former Goldman Sachs colleague of Paulson, who was brought to Treasury by Paulson, moved over to become CEO of Wachovia Bank, at precisely the moment that Wachovia was going under, and was going to have to be bailed out or taken over. A takeover battle between Citigroup and Wells Fargo ensued, and was only settled when Wells Fargo was given a preferential tax break by Paulson, acting unilaterally without Congressional approval.

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## Catholic Church Stops All Funding of ACORN

The Catholic bishops' subcommittee of the Campaign for Human Development, the domestic anti-poverty agency of the Church, has decided to cut off all its funding for ACORN (Association of Community Organizations for Reform Now), the community organizing group controlled by the George Soros funding apparatus. ACORN is an anti-Democratic Party "grassroots" network that helped Barack Obama to win the Democratic nomination and the November election.

Bishop Roger Morin, chairman of the subcommittee, said the Church has given \$7.3 million to local ACORN groups in the past ten years, and about \$1 million to various ACORN groups in 2007. The New Orleans *Times-Picayune* reported, "Morin said [the] bishops ... decided in June to cut off grants to all local initiatives of the Association of Community Organizations for Reform Now after learning that eight years ago, ACORN covered up a \$950,000 embezzlement at the national level.... He said

[that] after ... alleged voter registration irregularities surfaced, that cutoff became permanent."

Aside from the Soros apparatus, ACORN entities received direct funding from the Obama Presidential campaign, huge subsidies from various Federal agencies, and millions in payoffs from banks in the predatory lending business, for ACORN to serve as their partners in "counselling" their mortgage victims.

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## Senators, Others Demand Open Relations to Iran

At a meeting of the National Iranian American Council held in a conference room of the U.S. Senate Hart Office Building on Nov. 18, about 300 attendees broke into applause several times at the mention of the end of the Bush Administration.

Trita Parsi, an Iranian-American who heads the NIAC, opened the conference as one of the 20 experts who have signed a document calling for a new start with Iran, aiming at opening full diplomatic relations with that country.

Amb. James Dobbins is a co-chair of the American Foreign Policy Project that produced the proposal, and he spoke strongly in favor of opening up the talks now through the U.S. ambassadors in Baghdad, Kabul, New York (at the United Nations), and Geneva, with their Iranian counterparts, in addition to the nuclear talks. Dobbins served as the Special U.S. Envoy to the Afghanistan opposition just after the 9/11 attacks, and he talked about the full cooperation that Iran demonstrated after these attacks.

Sen. Arlen Specter (R-Pa.) and Rep. Tierney (D-Mass.) also spoke, advocating dialogue between the U.S. Congress and the Iranian parliament.

The NIAC meeting was one of several recent events in which senior diplomats, who have been shut out of the Bush-Cheney Administration, stepped forward to counter the Administration's war drives.