
National News

Senate Hearing Shows Gonzales On the Ropes

With the White House facing rapidly eroding support among its one-time Republican allies, some GOP “dead-enders” attempted to sabotage and then shut down the March 29 Senate Judiciary Committee hearing on the firing of U.S. Attorneys, in which the sole witness was Attorney General Alberto Gonzales’s former chief of staff, Kyle Sampson.

These desperation moves parallel the White House’s refusal to allow top White House aides to appear publicly and testify on the record in Congressional hearings.

First, with tremendous attention focused on the hearing, and a packed hearing room, the Senate Republican leadership called a series of totally-unnecessary roll-call votes on the defense supplemental appropriations bill, forcing Senators to run back and forth to the Senate floor, so that for the first hour or so of the hearings, there were only one to three Senators present.

Then, shortly after the afternoon hearing session began, a Republican Senator invoked a seldom-used Senate rule to prevent the hearing from continuing while the Senate was in session, which threw the whole proceeding into an uproar. After the hearing was able to reconvene again about half an hour later, committee chairman Patrick Leahy (D-Vt.) said he had never seen this particular scenario used in his 33 years in the Senate.

After the morning session had concluded, Charles Schumer (D-N.Y.) declared, with good reason, that “the credibility of the Attorney General has been shattered by what happened in that hearing room.”

For despite Gonzales’s denials of involvement in the decision to fire eight U.S. Attorneys, Sampson testified that he had discussed it with Gonzales at least five times, and Sampson also testified that although he had made certain recommendations, the final decisions were made by Gonzales.

Of the committee’s Republicans, there are now only two—Orrin Hatch of Utah, and

John Cornyn of Texas—who fully defend the Administration. Two other normally die-hard Administration supporters, Jeff Sessions of Alabama and John Kyl of Arizona, were openly critical of the Administration’s handling of the situation: Kyl said that, despite the local U.S. Attorney’s policy differences with the Administration, “I expressed shock and dismay at the decision” to dismiss him, and Kyl tried to get top DOJ officials to reverse the decision.

Schumer Moves To Protect Family’s Homes

Sen. Chuck Schumer (D-N.Y.) has estimated that 1.8 million families in America, including 91,325 in New York, are at risk of foreclosure when their mortgage loan rates are reset within the next two years. He says he has developed a plan to protect borrowers in the future by creating a national regulatory system for mortgage brokers and loan officers, including those at non-bank companies.

States Try To Bail Out Home Mortgage Disasters

With news that as many as ten states are now either floating bonds to “help distressed homeowners refinance” or exploring ways to do so, Lyndon LaRouche stressed on March 28 that this path of action—in effect, states attempting to bail out the collapsing \$12 trillion U.S. residential mortgage bubble—will quickly lead to disaster.

States cannot do anything of the kind without ruining their credit and economies, LaRouche said; he emphasized that *only* the Federal government can issue sovereign credit in this Constitutional system, and thus only the Federal government has the authority and powers to overcome a financial crisis of this magnitude.

LaRouche approved the action of Massachusetts Secretary of State William Galvin—who testified to the Massachusetts

legislature March 27 and demanded “emergency legislation” halting foreclosures statewide. This is absolutely necessary, and a proper state power, LaRouche said. Galvin told the Massachusetts legislators, “You are literally talking about tens of thousands of people in this state, who I would call the ‘pre-homeless.’ ”

But, there are already half a dozen states plunging into the hole of bailing out mortgages by refinancing for mortgageholders with state money raised by taxable bonds, the Ohio policy, which is suicidal. Massachusetts is one of them; others are Maryland, Rhode Island, and Virginia. Others on the brink of doing so are California, Colorado, Washington, and Wisconsin.

Ethanol Prompts Largest Corn Acreage Since 1944

Sucked in by the prospect of massive profit, U.S. farmers will plant 90,454 million acres of corn this year—the most since 1944, according to the U.S. Department of Agriculture. Since the total planted acreage remains the same, soybean sowing will be reduced by 11% percent to 67.14 million acres, an 11-year low, Bloomberg reported March 30.

What drives the farmers into this insanity? The USDA says the farmers are shifting acres to corn to “take advantage” of a 74 percent jump in corn futures over the past year, which has caused meat producers such as Tyson Foods Inc. to raise prices, and has cut margins for grain processors such as Bunge Ltd. Grain prices are now experiencing a 10-year high.

The USDA report is based on a survey of the planting intentions of more than 86,000 farmers during the first two weeks of March.

Farmers also said they would reduce spring wheat acreage 7.3% to 13.81 million acres from 14.9 million acres last year.

The legally mandated use of food for fuel, which has prompted the expanded planting of corn for ethanol, has already caused increases in prices of other food stocks.