People Get Ready, There's a Vote A-Comin . . .

Author : michaelbloomer

The Senate Deliberated on Wednesday

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It looks like another close vote is ahead in the House today on the Senate-passed version of the Rescue or Bail Out Plan. Some converts from the recalcitrant House Republican and Democratic "Nay" voters have apparently been gained by the Senate's tinkering. The addition of beefed up FDIC powers and the increase of federal deposit insurance from $100,000 per account to $250,000 are perhaps the most important changes that may change House votes. Also helpful are certain tax breaks, such as the suspension of the Alternative Minimum Tax and other energy-related tax provisions generally acceptable to both sides.

However, in the fractious House of Representatives where there's a general weakness of leadership of either party to force party line discipline, there are some warning signs that the votes may not be there again. Yet, this time the "Nay" votes may very well come from others, for example, the so-called Blue Dog Democrats, some of whom voted for the original House bill last Monday. Why? Well, the Blue Dogs are the "fiscally conservative" wing of the Democratic party, and they have objected to the addition in the Senate of certain tax breaks that are not offset by spending cuts. Also, they are angry that the Senate has actually accomplished this *via* a back door -- you see, in separate legislation, the House had already passed certain of these tax provisions earlier in this Congress but had offset them with spending cuts. To the Blue Dogs this is a craven bit of nasty Senate work. And they may be upset enough to vote no, although, realistically, some Blue Dogs have indicated that they will simply "hold their noses" and vote "Yea."

Another group of primarily Republican House members want the amount of money made available to the Treasury to be slimmed down initially to $250 Billion with the Treasury being thereby forced to ask for more later. They maintain that the Treasury has indicated that they cannot spend more than $250 Billion between now and when Congress reconvenes on November 14, 2008, so why, these House Members ask, is there any need to provide the entire $700 Billion now? Mr. LaTourette of Ohio presented an amendment the other day in the House Rules Committee asking that the House be permitted to vote on this proposal, however, the Committee voted out a closed rule (*i.e.* no floor amendments permitted). Yet, some supporters of the LaTourette amendment may then vote against the bill this afternoon.

In any event, what has happened to the Republican party lately is earthshaking. The

monied establishment Republican wing has been torn from the wing representing the socially and fiscally conservative middle class. And remember, this was the very coalition of strange bedfellows that brought about the two Dubya victories. It lately ruptured very noisily over the immigration issue with the Republican establishment wing desiring somehow to keep its low wage labor force of illegals primarily intact while the racist/bigot wing of the party fought vehemently against those interests. Now we're seeing another disconnect with the bail out or rescue plan. It's very hard to deliver a united Republican vote, and the establishment types, the wealthy business wing, are left wondering why the rubes in the other wing don't just get in line. Well, it's simple, the "rube wing" actually *believed* those free market, *laissez faire* principles that they learned while sitting on the lap of Grandad Reagan . . . They didn't learn that those principles were simply a hypocritical ruse that ought to be jettisoned when business interests (*i.e.* Wall Street) calls for help . . . Let's see how this all works out today, about Noon . . . High Noon.

The House Responds Today