

A Political System in Disgrace

As the roster of politicians deciding **not** to seek re-election grows, we can find both comfort and concern to the precarious state of our political system in the US. Here at the Merriam Report, we can breathe a sigh of relief knowing that Senator Chris Dodd (D-Conn.) will be out of our hair soon.

Dodd the Destroyer: As chairman of the Senate Banking Committee, this guy managed to put taxpayers on the hook for billions of dollars, tried to pass blame of his generous AIG bonus “packages” onto the shoulders of the Fed and Treasury. Mind you, this all happened in the span of several days!

Worse, he wanted to push through a bill which would limit the powers of the Federal Reserve Bank via a hastily and pork-filled 1200 page *tome* passing for a piece of legislation. If Dodd truly believes he acted in good faith or that it would somehow be a crown in his legacy, we can reasonably assume the old daff has some serious mental health issues. Unfortunately, he never apologized to the American people for his costly indiscretion, thus leaving him solidly in the company of treasonous fools.

We don't know if Ben Bernanke is the best man to run the Fed, but we can say with certain confidence that our Fed chief is far more qualified to deal with monetary policy than Chris Dodd. Comparing the two would be like rationalizing the intent and motive for the King James version of the Bible.

Was the king truly looking out for his subjects by relieving them of repressive Vatican edicts and Latin-only sermons? Or, as some believe, was the English ruler an ego maniac who may have believed he was more pious than those un-yielding Roman Catholics?

The decline of checks and balances: Since we don't know the answer we won't ask the question. However, we'd like to present some ideas about what some of the issues are and offer a few possible solutions.

While this will end our bashing of Dodd for now, his decision not to run and the recent heavy snowfall in Washington (effectively shutting down the government for several days), is some of the most positive bits of economic news to come down the pike in a long time. We jest not, and if we could just get that equally inane Barney Frank to go away, the country would really have a fighting chance.

A political system or a candy store? The concept of public service has in recent years, taken on a very grim visage. It's not that politics by its nature is not sleazy, but it surely has produced a bumper crop of raging cynics.

There was Randy “Duke” Cunningham, the gold cuff linked Congressman from Southern Calif. - A man so full of himself that he had the audacity to make a list on his own stationary and in his own writing of the lavish gifts he expected in return for favors to lobbyists and recipients of government contracts.

Even Mr. Cunningham's reputation as an ace fighter pilot and war hero looks a little shaky. As you may recall, Duke had a voracious appetite for shooting down MIG

fighters during the Vietnam War. The official version of his crash landing in the China Sea depicts a brave and selfless patriot defending his country. More reliable accounts however, including comments from his own squad suggest Cunningham's F-4 Phantom ran out of fuel, forcing him to ditch the plane. According to his fellow pilots, he was a fast-tempered, high-strung hot-shot cowboy who was so interested in kicking enemy-butt that he didn't realize the low fuel levels. -From where we sit, it looks more like a \$2.5 million screw-up than an epic tale of glory.

Or, Sen. Craig from Idaho, the supposedly conservative family values guy popped for soliciting sex with another man in a restroom. It puts another "conservative" right up there with liberal misfits like Bill Clinton and Elliott Spitzer. Thus, human nature and moral indiscretion are at the very least, bi-partisan.

The point here is that human nature hasn't really changed much over the years and there will likely never be a lack of sleazy lawmakers to fill the political graveyard.

The economics of Term Limits: We seem to have dismissed (outright) the basic ideal that serving in politics should be regarded as a privilege, not a 'friggin career. That's what corporations are for. Yet, the most prevalent and common thread in the sordid history of US politics is the fact most of our lawmakers are or were career politicians. By golly, if you give a politician an inch, they're gonna take a mile.

Possible Solution: Keep these buggars on a tight leash so they don't have the opportunity to screw-up. Amending the constitution with conscience is much preferable to anarchy.

When you consider that incumbent politicians spend about half their time raising funds for re-election, their constituency will only receive half of the incumbent's attention.

Speaking of perennial incumbents, how about old-timers such as Strom Thurman and Robert Byrd? If you thought watching Thurman trying to talk himself out of a paper bag was sad, seeing the king of Virginia-pork fall asleep (while standing at the Senate dais) was downright shameful.

The following is information provided by Congressional Research Service in a whit-paper titled Membership of the 111th U.S. Congress: A Profile

The average age of Members of the 111th Congress is among the highest of any Congress in recent U.S. history. The average age of Senators at the beginning of the 111th Congress is 63.1 years, approximately 1.5 years greater than that of the 110th Congress (61.7 years) and three years older than that of Senators in the 109th Congress (60.1 years).

The average age of Members of the House, including Delegates and the Resident Commissioner, is 57.0 years, over a year older than that of Representatives in the 110th Congress (55.9 years), and almost two years older than that of Representatives in the 109th Congress (55.1 years). The average age of all Members in both Houses is 58.2 years.

The average length of service of Members of the House at beginning of the 111th Congress is 11.0 years (5.5 terms), a year longer than that of the 110th Congress (10.0 years), and a year and a half longer than the average service (9.3 years) in the 109th Congress. Representatives are elected for two-year terms.

Representative John Dingell (D-MI), the dean of the House, has the longest consecutive service of any Member of the 111th Congress (53.0 years). He began serving on December 13, 1955.

The average length of service of Members of the Senate at the beginning of the 111th Congress is 12.9 years (2.2 terms), six months longer than that of the 110th Congress (12.3 years), and slightly more than a year longer than the average service (11.8 years) in the 109th Congress. Senators are elected for six-year terms.

Senator Robert C. Byrd (D-WV), the President pro tempore of the Senate, has served longer (50.0 years) than any other Senator in history. His service began on January 3, 1959.

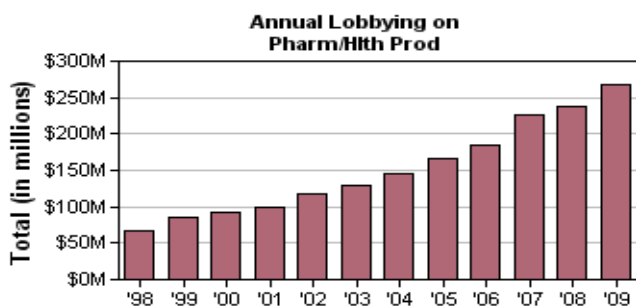
Economic reality of tenure: Longer service means more taxpayer dollars to pay for pensions, healthcare and other perks. Although lawmakers are now required to pay a percentage of their salaries into Social Security, they enjoy health care and retirement benefits most of us can only hope for. The government (taxpayers) foot a significant portion of healthcare premiums and members of Congress and the Senate enjoy unique options with their annuitized compensation.

"If every member of Congress put their heads on their pillow every night like I do . . . knowing this could be the night I lose my house, we'd fix healthcare in a week," said Kagen, who spent decades as a doctor in the Green Bay area before winning office in 2006. This in reference to Sen. Kagen's decision not to receive subsidized healthcare benefits- the only member (to our knowledge) of doing so.

Bottom line: if you want to cut the Federal deficit, start by putting a kibosh on career politicians. By all means amend the constitution to a maximum of two-terms **or** seven years, whichever comes first. We like the fact that our well thought out constitution has remained largely intact, but change after 200 years doesn't seem unreasonable. More importantly, it doesn't require an abacus to figure that years of political circus hasn't penciled in.

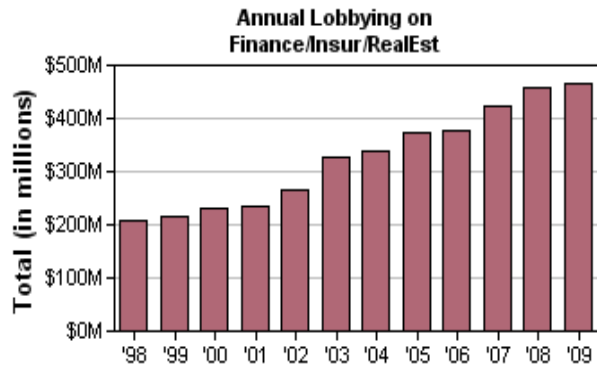
While we're on the subject of limits how about those darn lobbyists? Most people don't realize there are thousands of lobbyists running around our capital these days. In addition to campaign contributions to elected officials and candidates, companies, labor unions, and other organizations spend billions of dollars each year to lobby Congress and federal agencies.

Some special interests retain lobbying firms, many of them located along Washington's legendary K Street; others have lobbyists working in-house. We've got totals spent on lobbying, beginning in 1998, for everyone from AAI Corp. to Zurich Financial.



2009 was a bumper crop for lobby spending, ironic when you consider the economy has been in the toilet.

Not surprisingly, drug manufacturers wrote the biggest checks last year in their effort to peddle influence on healthcare reform.



But, it was banks, insurance companies and real estate interests who laid out the biggest spread last year of some \$465.5 million. We all know how that played out!

It should be noted that two of Sen. Dodd's largest campaign contributions in the 2005 – 2008 cycle, were from Citigroup and AIG.

Bottom Line: Rewrite the rules of engagement, don't try to reform them.

Limit spending by industry and labor groups. Take away the punchbowl from guys like Harry Reid (in office since '86) and Chuck Schumer (in office since '98). If anybody can tell us how the average American has benefitted from this largesse, we'd love to hear from you.

And while we're at it, demand sensible legislation which prevents elected officials from becoming lobbyists when they leave office. It's easy to understand that experience is quite beneficial to penetrating the labyrinth of our political system.

However, allowing ex-politicians an opportunity to keep their grubby mitts in the cookie jar is like giving a lifetime supply of methadone to a junkie. It treats the symptom but it's not a cure.

Ditto, for the copious amounts of "ghost written" legislation slipped into bills by shadowy special interest groups. Take the plight of GM bondholders for example. Since when do unsecured creditors (i.e. the UAW) get to have preference over senior creditors? The bailout to GM with taxpayer TARP funds, really adds insult to injury.

Almost 40% of the TARP funds were earmarked for subsidies to future healthcare premiums of GM workers. Thus bondholders and taxpayers got the shaft twice. The TARP funds paid to GM were nothing more than a jobs bill for union workers disguised as a bailout.

Oh, and by the way, lobbies representing union interests spent more than **\$45 million** last year keeping their "American dream" fantasy alive. Just like the toddler who can't be separated from its thumb, organized labor still refuses to part with its feather-bed. Outrageous!

