



LOWDOWN

Edited by Jim Hightower and Phillip Frazer ♦ Vol. 10 No. 8 ♦ August 2008

"I don't know if I would want him for vice-president. He and I have the same strengths. But to serve in other capacities? Hell, yeah."

— JOHN McCAIN, when asked if he'd consider DICK CHENEY for a position in a McCain administration

Even though a few of them have been dumped from the campaign **Heartless Phil and "honorable lobbyists"** would run McCain's White House

THE POLITICAL MEDIA ESTABLISHMENT is enraptured by John McCain. Mainline media sparklies, as well as the blatherers on the Fox channel, routinely buff up his image as a straight-talking, maverick foe of Washington's special interests. "The press loves McCain. We're his base," gushes MSNBC's Chris Matthews. But if the senator really is the feared reformer of business-as-usual government, why does his presidential campaign look like the back alley of K Street?

Many a president has had certain supporters behind him whom he should have moved out in front in order to keep an eye on them. McCain, however, isn't even bothering to keep his self-interested backers in the shadows—he has literally put them in charge of his campaign. "Tell me with whom you walk," goes the old adage, "and I'll tell you who you are." Candidate McCain is

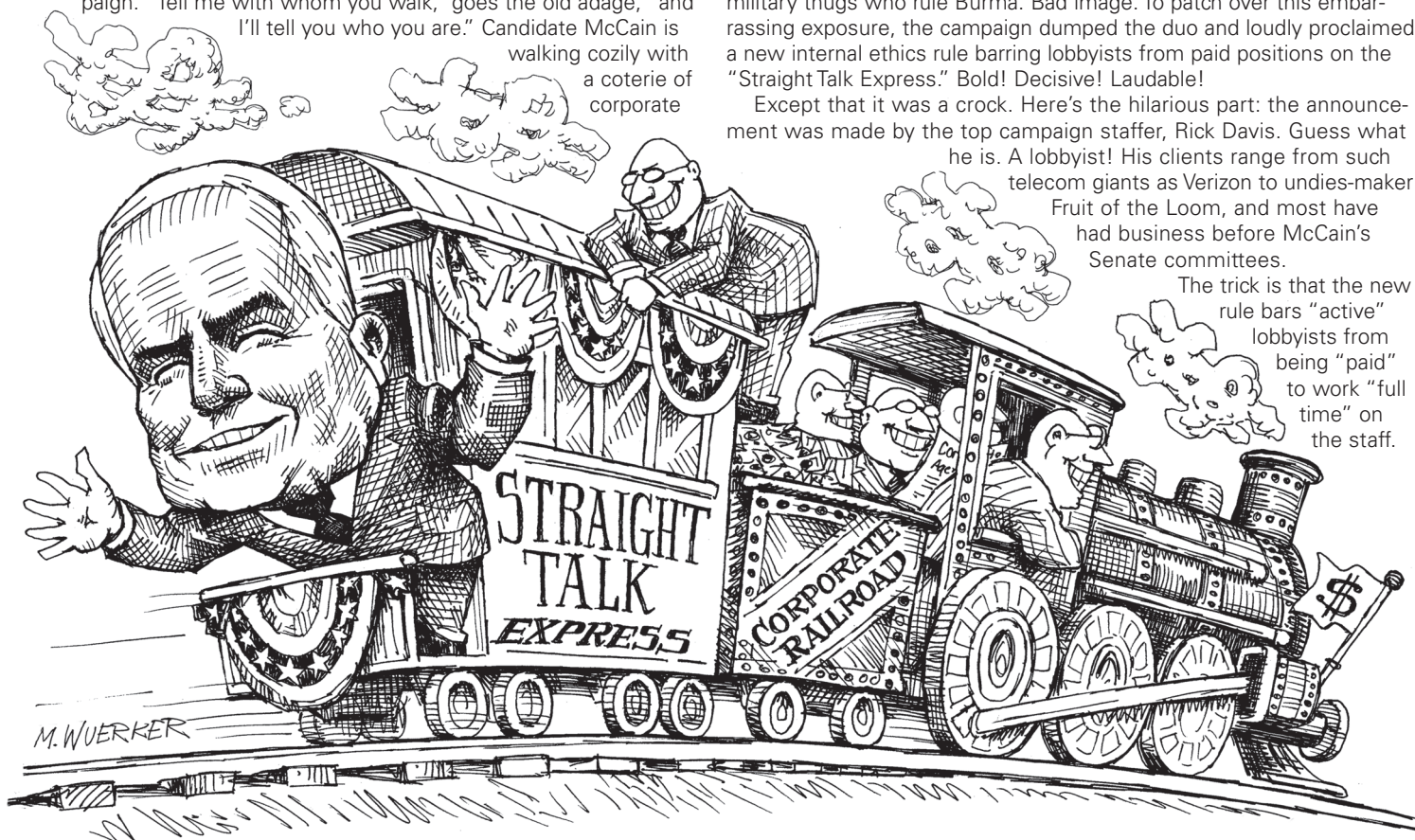
walking cozily with a coterie of corporate

lobbyists, executives, and fund-raisers who are shaping his policies... and expecting to walk right into the White House with him.

There was a hilarious dustup in May when two of the campaign's key operatives were publicly fingered as lobbyists for the totalitarian military thugs who rule Burma. Bad image. To patch over this embarrassing exposure, the campaign dumped the duo and loudly proclaimed a new internal ethics rule barring lobbyists from paid positions on the "Straight Talk Express." Bold! Decisive! Laudable!

Except that it was a crock. Here's the hilarious part: the announcement was made by the top campaign staffer, Rick Davis. Guess what he is. A lobbyist! His clients range from such telecom giants as Verizon to undies-maker Fruit of the Loom, and most have had business before McCain's Senate committees.

The trick is that the new rule bars "active" lobbyists from being "paid" to work "full time" on the staff.



TIME TO FREE UP OUR FREEDOMS

What is it about the First Amendment that confuses today's political elite and their police agents?

Amendment Number One is a pretty straightforward declaration of the people's fundamental political rights: freedom to speak out publicly, to assemble, to confront officials with our grievances. It does not say that these freedoms can be eliminated any time they might pose an inconvenience or embarrassment to those in charge. Yet it's become commonplace for the Secret Service and police to exclude even the mildest protest from presidential campaign events.

Last month, a 60-year-old librarian named Carol Kreck attended a John McCain "town hall meeting" in Denver. Held at a city-owned hall, the event was billed as open to the public. But it was not open to Ms. Kreck. She stood quietly in the public plaza outside the hall holding a handmade sign that simply said, "McCain = Bush."

Her silent (and polite) exercise of First Amendment rights, however, so offended Republican officials that McCain's Secret Service detail had her arrested for "trespassing" and escorted off the public premises.

Also last month, the Democrats announced that citizen demonstrations at their convention in Denver will be in a fenced-off enclosure. These "freedom cages," as they've been dubbed, will be out of sight and out of earshot of the Democratic delegates and dignitaries—so as not to muss up their reverie with any, you know, democracy.

When the parties and police can limit our "freedoms" to protest that can't be seen or heard, we no longer have those freedoms—and it's time for a little rebellion, just as

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These highlighted terms are carefully contrived loopholes. Lobbyists can simply go on leave from their active influence peddling for a few months to work on the campaign (as Davis is doing); they can work part-time for McCain's election while still lobbying up a storm; or they can take no pay from the campaign, working pro bono while being retained by their corporate clients. No matter their guise, they are lobbyists, and SourceWatch (sourcewatch.com) counts more than 100 of them working in McCain's camp (only five had to step aside under the ballyhooed new rule).

So many lobbyists swarmed McCain's presidential team that he felt compelled to defend them earlier this year. "They're honorable people," he vouched, adding that "the right to represent interests or groups of Americans is a constitutional right. There are people that represent firemen, civil servants, retirees, and those people are legitimate representatives of a variety of interests in America."

Sure they are, Straight Talker, but, as you know, none of the lobbyists on your team are being paid to serve the interests of firefighters and retirees. Let's meet a few of them:

CHARLIE BLACK. Known as "the Republican party's quintessential company man," Black has been McCain's top strategist for more than a year while also heading a powerhouse lobbying outfit that represents a menagerie of special (and sometimes shady) interests. Until forced by the "clean house" rule to step aside from his firm in May, Black's corporate clients included Blackwater, Lockheed Martin, AT&T, GM, GE, Rupert Murdoch, and Philip Morris.

While working for McCain and representing AT&T last year, Black was the principle mover in a then-secretive lobbying campaign to win retroactive immunity for telecom corporations that helped Bush spy illegally on millions of us Americans. Charlie conceded that he has done a lot of his lobbying chores by phone from McCain's campaign bus, which is named the Straight Talk Express.

He's also been a hired gun for the heads of repressive regimes in Angola, Somalia, and Zaire. Most infamously, Black was the chief Washington escort for Ahmed Chalabi, the Iraqi huckster who worked with Cheney, Rummy, and the neocon ideologues to drum up

Rise of the Rovians

THE NASTY FELLOW WHOSE ATTACK-DOG, smear-tactic, lie-and-distort brand of politics lifted **George W** into the White House twice has quietly slipped back into this year's presidential game. Yes, none other than **Karl Rove!**

His infamous **search-and-destroy approach** to political opponents (**John Kerry, Max Cleland, et al.**) turned his name into a verb—to "rove" someone—and now Rovians have moved inside John McCain's campaign. Not that Karl himself is directing the senator's political shop (though he has been giving pointers from the outside). Instead, it's his political spawn who recently have taken over day-to-day operations.

Steve Schmidt, who's been described as a "political artillery shell," is now in charge of strategy and communications. Known as intense and hard hitting, Schmidt has long been one of Karl's key henchmen. **He has run Bush's campaign war room**, served as counselor and spokesman for Dick Cheney, been Rove's point man on the battles to put Sam Alito and John Roberts on the Supreme Court, and been a member of Rove's exclusive "breakfast club" that plotted the Bush White House's political attacks.

Rove operative **Nicolle Wallace**, who was communications director in Bush's 2004 run, has been brought in to travel with McCain and keep him on message. **Another Rovian, Greg Jenkins**, was added last month to try to add some pizzazz to McCain's campaign events. **He's a former Fox news producer** and advance man for Bush.

Meanwhile, **the swift-boat slime crew** that Rove orchestrated in '04 to trash John Kerry is back this year in the guise of a group calling itself Vets for Freedom. Pretending to be independent of the McCain campaign, it's already running ads that attack Obama on Iraq. Far from independent, **its founder is a member of a McCain leadership team** and its line of attack directly mirrors that of the campaign.

false information that led to the disastrous occupation of Iraq. Charlie became a multimillionaire lobbyist through his tight political connections with the Republican right wing. He was a crony of Lee Atwater and Karl Rove in developing the GOP's style of slime politics, and he began his electioneering career in 1972 as political director of Jesse Helms' first Senate race.

RICK DAVIS. A former White House aide to Ronald Reagan, deputy manager of Bob Dole's 1996 presidential run, and longtime McCain operative who now chairs his presidential campaign, Davis built a lucrative lobbying business through his political ties, maintaining an especially close relationship with the Arizona senator. How close? After being the manager of McCain's 2000 loss to Bush in the presidential primary, Davis became the go-to guy for telecommunications corporations, raking in a fortune in lobbying fees, in large part because of his access to his buddy, John, who had become chairman of the Senate committee overseeing the industry.

Davis has literally brought the

phone industry inside McCain's operation. Of course, these corporations have been money backers (\$365,000 in donations through May), but the campaign is also teaming with their employees—AT&T, for example, has 21 of its lobbyists working as McCain advisors, staffers, or fundraisers, and Verizon has 18 of its lobbyists on board.

In 2001, to hype McCain's image as a maverick on campaign-finance issues, Davis helped establish the Reform Institute, ensconcing the senator as chairman. It lacked credibility as a reform agent, however, since Davis—a registered lobbyist—served as the institute's president, housed the group in his lobbying offices, and shook down his corporate clients to help fund it. The institute was a sham, and in 2005, after a flare-up of negative publicity about some of the donations Davis had solicited from corporations that benefited from McCain's official actions, the senator resigned from the board. In 2006, McCain also withdrew from the reform issue itself, declaring that he no longer supports public financing of elections. In this year's GOP primaries, under guidance

from Davis and Black (who were raising bundles from their corporate connections), McCain chose to opt out of the public system, though his cash-short campaign has opted back in for the general election.

RANDY SCHEUNEMANN. McCain's top national-security advisor, Scheunemann is a noted neocon foreign-policy hawk. He built his career inside the Republican party, serving as chief national-security staffer for both Trent Lott and Bob Dole when they were Senate majority leaders. His most glowing credential is that he was part of the warmongering clique of ideologues who pushed throughout the 1990s for the pre-emptive war policy later embraced so enthusiastically by the Bush-Cheney regime. He helped draft the 1998 law that made the overthrow of Saddam Hussein a national policy goal (and put \$98 million from our taxes into the front group headed by Iraqi con man Ahmed Chalabi), and he helped Pentagon chief Don Rumsfeld develop his deceitful Iraq policy during the run-up to Bush's war.

Scheunemann is another one who has converted his political contacts into cash. In 2001, he founded a lobbying firm, Orion Strategies, which specializes in representing foreign governments, including Taiwan, Macedonia, and the Republic of Georgia. Last year, while he was on McCain's payroll as campaign advisor, Scheunemann was also pulling down more than half a million bucks representing these foreign clients, and even lobbying McCain's Senate staff on behalf of Georgia's government. Scheunemann has now suspended his active influence peddling, but it appears that he still gets income from Orion, and his partner there continues to represent these same

three nations.

WAYNE BERMAN. Co-chair of McCain's campaign-fundraising arm, Berman's own bio at the website of his lobbying firm touts him as an "almost unmatched" talent for working "at the crossroads of policy, politics, and campaign finance." A former assistant secretary of commerce, he held top political and policy roles with Reagan, Bush I, and Dole, and he was a leading fundraiser for George W in both 2000 and 2004 (attaining "Ranger" status for bundling at least \$200,000). This year, he has already topped \$500,000 as a McCain bundler. A trusted GOP insider, Berman was senior advisor to the Bush/Cheney transition team in 2001, and he since has milked his Rolodex to become one of corporate America's favorite lobbyists. Berman's client list has included such government favor-seekers as the Carlyle Group, Chevron, Shell, various drug companies, Verizon, and, recently, Ameriquest (the notorious mortgage giant that was described by a consumer advocate as "the most blatant and aggressive predatory lender out of everybody").

The executive suite

When McCain is not getting his advice from lobbyists, he's getting it straight from the executive suites, for several current and former CEOs are constantly at his elbow. Among the corporate heavies in his stable of informal advisors are such practitioners of middle-class downsizing as FedEx's Fred Smith, Cisco's John Chambers, Microsoft's Steve Ballmer, and Wall Street's Henry Kravis (the corporate-takeover specialist who paid himself \$51,400 an hour in 2006, while offing tens of thousands of workers).

Especially important to the cam-

paign, however, are three denizens of the corporate world who are shaping McCain's positions on economic issues, and often speaking publicly on his behalf. All would likely get top positions in a McCain presidency:

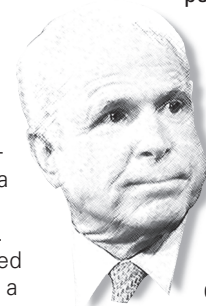
CARLY FIORINA. As CEO of computer-maker Hewlett-Packard, she attained success and corporate celebrityhood. But then HP began suffering financial hiccups, leading to accusations of mismanagement, a nasty board fight, and her highly public firing in 2005. Now, however, she's bobbed back into the public eye as a feisty, high-profile surrogate for McCain, constantly appearing on TV and in person to push everything from the senator's pro-NAFTA stand to his support of letting cable and phone corporations control who gets the fastest and best access to the internet's structure. The campaign thinks Fiorina, who is chair of the GOP's "Victory '08" committee, can boost McCain's creds as an economic leader. Not all agree—as one critic of Fiorina's hard-charging corporate style put it, "You couldn't pick a worse, non-imprisoned CEO to be your standard-bearer."

MEG WHITMAN. Just retired as CEO of eBay Inc., Whitman is a 51-year-old billionaire and political novice, though she has her eye on a future in politics (possibly a run for California governor in 2010—ironically, the same race that Fiorina is eyeing). Whitman started this presidential season doing fundraising for Mitt Romney, but she is now on McCain's team as national co-chair of the campaign. Not only is she working her Silicon Valley connections for money, she is also said to be playing a lead policy role for the

PICKING MCCAIN'S TEAM

JOIN US IN TAKING the second part of our **Lowdown Presidential Survey**—a free-wheeling, thoroughly unscientific

poll, asking you *Lowdowners* to designate people who might serve as officials in the next presidency. This month, we want to know who you think McCain might—or should—choose



for vice-president, and other key positions, from FEMA director to Supreme Court.

Here are the categories. Put names to as many as you like, and tell us if you are picking the team McCain will pick or should pick!

- Vice-President
- Attorney General
- Supreme Court (name up to 3)
- National Security Advisor
- CIA director
- FBI director
- U.S. trade negotiator
- EPA administrator
- Surgeon General
- Secretary of State
- Secretary of Defense
- Secretary of Labor
- Secretary of Interior
- Secretary of Agriculture
- Secretary of Veterans Affairs
- Secretary of Treasury
- Secretary of Health
- FCC chair
- FDA commissioner
- FEMA director
- Other: _____

Send your choices to us by fax (512-478-8536), or fill out the form online at www.hightowerlowdown.org. We'll print a report on your choices, and we will forward the results to Obama and McCain, so they can get the real lowdown directly from you grassroots folks.

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EDITORS: Jim Hightower, Phillip Frazer
RESEARCH: Laura Ehrlich **CIRCULATION:** John Ernst
COPY WIZ: Gwenda Blair **ARTISTE:** Matt Wuerker
LAYOUT: Sahu Barron **INTERWEB EMISSARY:** Deanna Zandt
PUBLISHER: Phillip Frazer

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Thomas Jefferson said would be necessary every now and then.

THE IRAQ OIL RUSH

For five years, the Bush-Cheney regime has insisted that the Iraq invasion had nothing to do with helping Big Oil get its hands on Iraq's wealth of crude. No, the war was about WMDs...al Qaeda ...democracy.

Now we know that, ever since the invasion, U.S. occupying authorities have been trying to cobble together an Iraqi government that would allow the likes of Exxon Mobil to control the country's massive, undeveloped oil fields. Unsurprisingly, the Iraqi people have balked at handing over their chief national asset.

Last year, Iraq's U.S.-backed government issued no-bid contracts to five Western oil giants, authorizing them to prepare some existing oil fields for commercial production. This gave the Exxons a leg-up on winning control of Iraq's massive reserves. The Bushites said they played no role in this, but—whoops—now it's been revealed that a team of administration lawyers and private-sector consultants helped draft those no-bid contracts. At the same time, Ray Hunt, the billionaire CEO of Hunt Oil and a longtime pal of George W, cut a special deal with one of Iraq's regional governments to develop oil fields there, in violation of U.S. policy and laws passed by Iraq's central government. Again, the Bushites claimed not to have known about Hunt's end run, but—whoops again—internal documents have now surfaced showing that the Bush team knew about the deal and welcomed it.

These guys are covered in crude!

candidate. Her stated positions are conventionally corporate—scale back government, make Bush's tax cuts for the wealthy permanent, and reduce the corporate tax rate—but her other views seem vague. For example, asked what to do about the problems caused by \$4 gasoline and the ongoing financial collapse, she offered this: "I feel quite strongly that it's important to elect a Republican."

PHIL GRAMM. The sour old former senator from Texas was renowned for his laissez-faire ideological extremism and for being an unabashed corporate whore during his 23-year career in Congress, where he regularly used his legislative power to rig the rules for the profiteers who funded his campaigns. As Senate banking chairman, Gramm recklessly rammed through major bills deregulating Wall Street scammers so they could develop the exotic financial schemes that have led to America's current mortgage collapse and the failure of major banks. Not for nothing has he been nicknamed "Foreclosure Phil."

In 2002, he left the Senate to go where the money is: Wall Street. Becoming vice-chairman of UBS, a Swiss-based investment bank that caters to the world's super-wealthy, Gramm has been enjoying a seven-figure annual income and lolling in the sweet executive life. His duties at the bank include overseeing "government-relations"—i.e., lobbying.

Last year, Gramm took on a second job when his old Senate buddy McCain installed him as his campaign co-chair and top economics advisor. Of course, Gramm still drew his UBS paycheck and even continued lobbying for the bank while

going down the road with McCain.

As of last month, however, the banker-lobbyist no longer travels with the candidate, because Phil put his foot in his mouth and had to resign from his public role as co-chair. But resigning is not the same as being removed, and I believe that Gramm remains the top economic advisor behind the scenes. McCain, who admits that he really doesn't understand how the economy works, relied on Gramm so much that they talked every day. "I respect no one more in America on issue[s] of economics than I do Phil Gramm," a bedazzled McCain once gushed.

Fortune magazine dubs Gramm "McCain's econ brain," and he has indeed shaped both the philosophy and specifics of the candidate's economic policies, including: (1) his meek, blame-the-victims response to Wall Street's unregulated schemers who crashed America's housing market; (2) his proposal to raise America's retirement age and partially privatize Social Security; (3) his embrace of Bush's tax cuts and his call to further slash corporate taxes; and (4) his energy "policy" of drill-drill-drill, a position he used to scorn and mock.

Then came July 9, when Gramm apparently had a political brain freeze.

He blurted out in an interview that he has no patience with all these stories in the news about people facing hard times. America has become "a nation of whiners," pronounced the economic doctor, adding that the hoi polloi are wallowing in "a mental recession."

Bad politics. McCain quickly disavowed this unauthorized eruption, but he really could not have been surprised, for it came right out of

the inner Gramm that we Texans (and McCain) have long known. He simply has no empathy for the real-life problems of the great unwashed, routinely dismissing folks who are beneath him on the economic ladder. Consider this golden gem from Gramm on the matter of poverty in America: "We're the only nation in the world where all our poor people are fat." As I said of him some years ago, anyone needing a heart transplant should try to get Phil's — it's never been used.

Gramm's whiner comment was too crass, so he had to be jettisoned. Ironically, he left whining. "Democrats want to attack me," he sniffed.

He's gone from public view, but don't think that McCain's econ brain has truly departed—and don't be surprised to see him resurface as secretary of the treasury if McCain wins.

There are others, of course, who have McCain's ear on policy matters (Sen. Joe Lieberman, for example, the one-time Democrat who keeps popping up with McCain on his foreign jaunts, including his recent trip to the Mideast and his "free trade" road show in Latin America). But the overall cast of his foreign-policy team is rigidly corporate. Policy proponents for workers, consumers, the environment, small farmers, and other broad segments of America (the vast majority of us) are noticeably absent from his inner circle. If he is elected president, no doubt he would consider the needs of the larger public, but it appears that those needs would be submitted from us outsiders to an insider group that now resembles McCain Inc.

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HEARTLESS PHIL AND THE "HONORABLE LOBBYISTS" WOULD RUN MCCAIN'S WHITE HOUSE

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