

Jack Venrick

From: "Jack Venrick" <jacksranch@skynetbb.com>
Sent: Sunday, October 26, 2008 8:58 AM
Subject: 700 Billion Reasons Why China Was Bailed Out

FYI
Jack Venrick
Enumclaw, Washington

Saturday, October 25, 2008

BETWEEN THE LINES**Our \$700 billion gift to China**

Exclusive: Joseph Farah uncovers ulterior motives in so-called 'rescue' package

Posted: October 25, 2008
1:00 am Eastern

By Joseph Farah

It should surprise no one that Democrats like Senate Majority Leader Harry Reid and House Speaker Nancy Pelosi worked so tirelessly on behalf of the \$700 billion bailout of troubled financial institutions.

After all, the Democrat leadership had plenty to cover up – about 30 years of policies that led inevitably to the collapse of the mortgage industry.

But, why, some wondered, did the plan get such enthusiastic support from Republican leaders like Mitch McConnell?

(Column continues below)

My theory is simple: This wasn't so much a bailout of American financial institutions as it was a bailout of China. And McConnell, in particular, has a long, inglorious track record of voting in China's best interests.

Let's review some history:

- McConnell has, throughout his political career, [received steady campaign contributions from AIG](#), one of the institutions bailed out.
- McConnell's wife, Labor Secretary Elaine Chao, served as director of an insurance company, which jointly owns, with the Chinese government, a subsidiary of the infamous Lippo Group (Remember the Riadys and John Huang?).
- Chao's Chinese-born father, James S.C. Chao, maintains a cozy relationship with Beijing's Communist Party and owns a shipping company that does business with the Chinese government.
- McConnell also received many campaign contributions from AIG Chairman Maurice "Hank" Greenberg, the former chairman of the U.S.-China Business Council, which lobbied hard – and successfully – to sever the link between China's human-rights and missile-proliferation records and its most-favored-nation trade status.
- AIG, whose international advisory board is headed by Henry A. Kissinger, the leading pro-China lobbyist in Washington, was the first foreign company allowed to sell insurance in China.
- McConnell has been paid by AIG to give speeches. Greenberg reportedly threatened to cut off his donations to the conservative Heritage Foundation if it didn't tone down concerns about China's growing military threat. Chao served as Heritage's top Asian adviser before becoming Labor secretary.
- John Huang, who once worked for a Louisville, Ky., bank, gave McConnell \$2,000 in illegal donations (Lippo reimbursed Huang, as part of a foreign money-laundering scheme).
- In 1997, Chao slammed the Chinagate probe and its media coverage for singling out Asians. McConnell fought the hearings chaired by then Sen. Fred Thompson.
- AIG owns a large percentage of the People's Insurance Company of China.
- **Hundreds of billions of dollars of the bailout are ultimately going to foreign investors – mostly Chinese, according to Rep. Brad Sherman, D-Calif. "They know it, they demanded it, and the bill has been carefully written to make sure that can happen," he said.**

With all this history in mind, the question becomes not why did the Senate Republican leader jump on the bailout wagon, it becomes why didn't McConnell excuse himself from the negotiations and vote on the bailout because of a blatant conflict of interest?

But he didn't.

In fact, McConnell helped lead the charge.

He became the point man in the U.S. Senate to persuade Republicans, who might otherwise be slightly more inclined to be skeptical of U.S. taxpayer bailouts of foreign creditors, to go along with the swindle.

Whatever happened to the days when elected officials had at least one thing in common – a love for their own sovereign country?

Were those days just an illusion?

Was it ever a reality?

Are today's self-dealing politicians really no different from the past?

I don't know the answer.

But I do know that America will continue to decline unless we clean house in Washington. That does not mean the kind of change Barack Obama will bring. That does not mean voting out the handful of constitutionalists from Congress. But it does mean wholesale changes are needed – in 2008 and in the precarious future beyond.

Related special offers:

[The Creature from Jekyll Island: A Second Look at the Federal Reserve](#)

[Read the forecast about today's economic crisis: Whistleblower Single Issue - November 2007](#)

[Sen. Tom Coburn's "Breach of Trust: How Washington Turns Outsiders into Insiders"](#)

[Rediscovering Gold in the 21st Century: The Complete Guide to the Next Gold Rush](#)