



# *The Miller/Wenhold Wisconsin Report*

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## **Did Congress Do the Right Thing on Wall Street**

**By Paul A. Miller**

The past two weeks have been very nerve wrecking for all of us in this country who run businesses, need to make payroll, need to pay mortgages, and need to pay car loans. We heard a week ago how our financial system would collapse if Congress didn't get Secretary Paulson and the Administration a blank check to bailout Wall Street with no assurances the tax-payer wouldn't be holding the bag for bad decisions and what I believe are illegal moves made by some for profit.

I applaud Paul Ryan and others in the House of Representatives who went to bat for all of us to ensure this package doesn't add an additional tax burden on all of us. I realize the package hasn't passed yet, but signs from Capitol Hill are that it will now that quite a few new assurances have been made to make sure tax-payers are protected.

Part of me say's let those who made bad decisions pay the price for it and not bail them out. Last time I looked no one was prepared to step in if I lived beyond my means or made horrible decisions when it came to buying more home than I knew I could afford. On the flip side of that, I am concerned that this feeling, which I believe is being felt by most Wisconsinites, will impact all of us eventually. If Congress does nothing I do believe it will trickle down where it affects all of us regardless.

I do support adding an AMT fix for middle-income families, which are hit by this unfair tax. I do support ensuring that golden parachutes for CEO's who got us in this mess are taken away. I do support ensuring that the FDIC limit is raised from \$100,000 of protected investments to \$250,000. This move will help small businesses and families ensure their retirement are protected.

So, from this perspective I support what Paul Ryan and Congress are trying to do. There are no guarantees that this legislation will fix the problem, but I do Believe the experts when they say if Congress does nothing we will see a collapse.



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It doesn't mean this shouldn't make us sick to our stomachs that we have gotten this far. It's no secret that this could happen and yet no one in Congress or the Administration did anything about it until it was too late. This tends to be how we do things in this country. Let the good times roll until we hit a crisis.



I guess as a tax-payer and voter I would ask everyone serving in Congress the question why can't we all come together to fix all the problems we face as a country? Why does it take a crisis like this for everyone to say we need to put partisan politics aside?

It might just be me, but I have not heard either of the Presidential candidates really give us specifics to how this bailout won't force our taxes to go up. During the first Presidential debate both candidates were asked what programs they propose would need to be put on hold if this bailout occurs. No surprise that neither candidate gave us anything close to an answer.

It amazes me listening to Sen. Obama on the campaign trail say how he can and will push forward his plans on healthcare, taxes, education and energy independence when if you look at the costs and the cost of this bailout there is no money left to implement these programs unless you raise taxes on everyone. Where does he or Sen. McCain think we are going to get the money to pay for these very expensive initiatives? The real downside to the bailout is that come next year, whoever is elected President, will be held holding the bag and unable to move other must have issues forward because there is no money to do so.

I've listened to both candidates today giving stump speeches on the need to pass this bailout legislation. I was amazed at what I heard. From one candidate I heard a very eloquent speech on how America can be great and we can save the next generation. From the other I heard some tough talk and a few real ideas on how tax-payers won't be left holding the bag. But neither candidate has yet to tell us the tough truth that lies ahead with this bailout.

We are heading into some real challenging times and I would prefer to cast my vote for someone who is going to tell me the truth. I may not agree or like what I hear, but I can respect them for standing up and telling us it isn't going to be all rosy next year. We all are going to continue to feel the economic pain, but I promise to do the following... to get us out of this mess. That would be a refreshing brand of politics.

This bailout could have been avoided if greed didn't continuously get in the way of doing the right thing. Let's hope that Congress will now do the right thing and not leave us all holding the bag.



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## **Economy Tinkering on Brink**

**By Brendan VerVelde**

Over the past two months, the Fed guaranteed up to \$200 billion to fortify Freddie Mac and Fannie Mae, spent \$85 billion to bail out AIG, authorized a massive buyout of Bear Stearns by JP Morgan, and put a moratorium on “naked” short-selling (shorting stocks without ever buying the securities).



Meanwhile, Lehman Brothers collapsed, Merrill Lynch was sold, and even Morgan Stanley looked shaky as rumors circulated that it was considering joining troubled Wachovia. The question that is on many people’s minds this last month, and especially the last couple weeks, is what’s going to happen to our economy? With company after company being bailed out by the Federal Government, and the taxpayers taking the tab, when will it end? How much is too much?

Now, I’m going to admit that I am not economic expert. The United States’ economy is incredibly complex, and the banking and investment industry infinitely more. What I’m going to write about here is purely from a political perspective.

One of my professors once told me a little bit about what the government’s role in the economy should be, and this is where I have mostly aligned myself. The government should not necessarily take the *laissez faire* (hands-off) approach that many conservatives so desire. Often times you hear people say that the government should just keep its hands to itself, and the market will correct itself.

While I do feel myself inclined to believe that because of my libertarian tendencies, there has to be a line. In our economy now, if the Fed would just let the markets correct themselves, billions of dollars would be lost, and our country would go into a depression that would be infinitely worse than that of the 1930’s.

The ensuing mess would be like a domino effect. Companies all over the U.S. would fail, which would cause the banks who invested in those companies to fail, or come close to that. Lending would all but cease, massive layoffs would occur, and our country would become one massive shantytown. Maybe I exaggerate a little, but my point still stands. It would be years if not a decade or more before the market is able to correct itself, and in the times leading up to the “market correction” this country would surely be in the worst times it’s ever seen.

I know that what I’m saying is in painfully simple terms, but bear with me. My professor’s thoughts on the role of government is that the government shouldn’t necessarily be up to its neck in the economy like it is now, but rather it should simply be like a guiding hand. Naturally the economy will go up and down in extreme ways. Extremely wealthy times would be followed shortly after by mini-depressions, and the cycle would repeat itself. The government needs to step in and keep the economy



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from hitting those extremes, including the highs, usually by adjusting the interest rates to either encourage lending in bad times and discourage lending (yes, even as bad as that sounds) in good times.



Where do I stand on the \$700 billion bailout that is currently being debated in Congress? I look at it through two, separate lenses. The first one is as a fiscal conservative worried about our national debt and budget deficits, and that side of me says that no way should this pass. No way should the Fed spend nearly a trillion dollars (all totaled, including AIG, Fannie and Freddie, etc.) to simply help our economy. Let those companies fail. They'll learn their lesson. I, as a taxpayer, do not want to pick up this tab.

The other side of me, the more rational side I think, brings back what I was saying earlier about the government's role in the economy. I think it's obvious that the government did not do its job in controlling the extreme high that our economy was in over the last few years. First was the housing market that collapsed, then the skyrocketing oil prices, and it all culminated with the Fannie Mae/ Freddie Mac collapse. Well, if the Fed didn't do their job in the extreme high, they have to do something now that we're well on our way to an extreme low. If \$700 billion is what it takes to avoid another Great Depression, then so be it. I'll take the hit so that I don't have to worry about not having a job at all in 5 years.

As it looks at the deadline for this article, the plan is poised to pass, but with little Republican support, even as it's President Bush's plan, and I didn't expect anything less. Congress not acting, though that is what some may want, will not happen.

What do you think? Agree or disagree, I would love to hear your feedback on this article, and all articles that I write. *If you'd like to respond to Brendan, please send your comments to [mail@mwcapitol.com](mailto:mail@mwcapitol.com)*

### **Great Lakes Compromise Set to Be Signed Into Law**

The Great Lakes Compact has leapt over one more obstacle in its way to becoming federal law. The House of Representatives passed the Compact on September 23<sup>rd</sup> by a vote of 390-25. All eight members of the Wisconsin congressional delegation voted for the measure. The bill is now headed to the White House for President Bush to sign, as he has indicated he will. The Compact is expected to become law within the next few days.



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### **The Budget, Spending, and John McCain** By Matthew Spencer

You may have heard that the economy is in recession and that the Stock Market will inevitably fail. The enormous amount of pork barrel spending that will be at the president's desk come January, government spending and taxes could be higher than ever; however John McCain will not allow this to happen.



Given, the United States does need to do something to fix the mangled economy; the best way to do this is get the American dollar back in the consumer's hand. The most logical way raise consumer spending is to rid America of the Alternative Minimum Tax; a tax that is specifically paid by 25 million middle class families. This means that \$60 billion will be in the hands of the most important families in the United States. If the middle class can keep their money they rightfully deserve, the economy will surely rise simply by consumer spending.

I know you're wondering, if McCain plans on cutting \$60 billion of taxes, how will the government ever repay the American debt? John McCain said that he can eliminate "\$100 billion of wasteful government spending from the last two years and \$65 billion in permanent government spending." McCain has also made it apparent that any bill that comes before him will be vetoed if there is any unnecessary spending. This sleek new budget presented by McCain will completely redo every budget Congress has past the last decade.

This new budget, however, should include some sort of bailout for Wall Street. McCain has stated that he looked forward to voting on the \$700 billion bailout. He even suspended his campaign to negotiate with fellow members of congress to get this bill passed. Unfortunately, on Monday the bill did not get passed and we still have no help for our traders on Wall Street. The market will continue to drop if a bipartisan bill does not get passed in the near future. McCain made it clear that if it not this bill, it will have to be something else to improve the businesses here in the United States.

John McCain, though, is not afraid to move across party lines to improve this great nation. Our economy may be down right now, but it can be brought back up through careful spending and the right tax breaks, something John McCain has an expertise in. John McCain, good for our economy, good for the Middle Class, good for America.

*If you'd like to comment on this article, please send your comments to [mail@mwcapitol.com](mailto:mail@mwcapitol.com).*



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### **Sarah Palin: Solid Conservative Values**

**By Brendan VerVelde**

Many people that I work with and know personally, know that I am a person who keeps up on politics, and that's putting it politely. The days and weeks following John McCain's choice of Governor Sarah Palin from Alaska as his Vice Presidential nominee, many of those people came to me asking what I thought. What I thought about her being a woman; what I thought about her "lack of experience."



Well, I'll admit. On Friday morning the day that John McCain announced his pick, I had very little knowledge of who exactly Sarah Palin was. So I did a little research, and I'm going to be honest, I liked what I found. Gov. Palin has a proven record of reform and fighting corruption, cutting spending, and yes, I'll say it, she has experience.

The Republican party in Alaska saw that Sarah Palin was an up-and-coming name in Alaska politics, and liked her immediately. But, they also were about as corrupt as they come, and immediately tried to buy Sarah Palin off by giving her the Chair position on the Alaska Oil and Gas Commission. Realizing what was going on, Gov. Palin resigned and went to the police, pointing out the level of corruption that spread all the way up to the head of her party. Multiple resignations, felonies, and lengthy jail sentences followed her allegations. Gov. Palin has showed that she is not afraid of her own party, and not afraid to put those corrupted officials in jail.

Another thing she isn't afraid of is cutting spending, and trust me, that doesn't make you very many friends either. Not only did Gov. Palin sell the governor's private jet on Ebay, for a profit I might add, but she also fired the private chef and private driver. To the infamous "bridge to nowhere," Gov. Palin said "thanks, but no thanks." When Alaska was flush with cash from increased oil and gas revenues, she took the road less traveled (if traveled at all by most politicians), and gave money directly back to the citizens of Alaska. Common sense, not the big government and "spend, spend, spend" philosophy, dominated Sarah Palin's budgets.

Lastly, I know what you're thinking. Sarah Palin and experience? Yes, Sarah Palin does have experience, and, I'm even going to go as far as saying she has more experience than the junior Senator from Illinois. First of all, Sarah Palin has held more elected positions than Obama. On top of that, two of those positions were executive, and if I'm counting right, that's two more than Obama. While Obama says he's about change, the reality is, Gov. Palin walked the walk when it came to change and reform. Promising change and delivering change are two completely different things. The only thing Obama has delivered is to be reliably



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## **Van Hollen Files Suit**

**By Brendan VerVelde**

Attorney General J.B. Van Hollen has filed a lawsuit in the Dane County Circuit Court to compel the Government Accountability Board (GAB) to bring Wisconsin in compliance with state and federal law. According to his statement, Van Hollen wants the GAB to bring Wisconsin into compliance with the federal law, Help American Vote Act, or HAVA. Part of compliance with this law is that all voters who registered since January 1<sup>st</sup>, 2006 would be put through the “HAVA check” that references the voter list to other public databases to “protect the integrity of elections by ensuring that only those who are qualified and properly registered would be permitted to cast ballots,” said Van Hollen. The GAB, as of August 2008 was not in complete compliance with the law, and, according to Van Hollen, was not going to take any further action on the issue.



So, where’s the controversy? The biggest controversy comes from the checks themselves. Because of the large amounts of simple typos in the public databases, many voters could initially be deemed ineligible to vote. A political action group, One Wisconsin Now, brought up the issue of soldiers currently serving overseas who may be disqualified from voting (by absentee) because of such typos, and may not be able to rectify the situation with their County or City clerk because of their deployment.

Van Hollen’s counter argument, is sound, though. He says that although the public records do contain large amounts of typos, there’s still quite a bit of leeway when before a voter will actually be removed from the registered voter list. In the first step, the clerks would try to correct the information, say, if for example, it was simply a typo in the address or name (e.g. nicknames, such as Jon instead of Jonathan). If unable to correct the information, a letter would be sent to the voter telling him or her to contact the clerk to fix the record. If all this fails, the voter would be removed from the voter lists, but, the voter would still be able to register at the polls on the day of the election, thus still retaining their right to vote on election day. And trust me folks, with the lax laws Wisconsin has to register to vote in the first place, it’s not hard for someone to register day-of. But that’s another article for another day.

In no way is Van Hollen trying to disenfranchise any voters. No matter what, everyone who is truly eligible to vote has multiple ways to register to vote, including same-day registration. With compliance with this law, the only people that are going to be expunged from the voter lists are people who are dead or felons currently serving out their sentence. I don’t know about you, but I’d sleep better the night of November 4<sup>th</sup> knowing that my vote wasn’t being diluted by thou-



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### **Will Top of The Ticket Have Trickle Down Affect?**

The race for the eighth congressional district might be decided by who's running for president. It's an election law that eases voting, and is both despised and praised by lower candidates, depending on the election and party identification. The law that I'm talking about is straight ticket voting. Currently, Wisconsin allows voters to simplify their voting by only checking (or punching, marking, etc.) one box to signify that you vote for every member of that party, no matter the candidate or position.



Despite my (and most politically-inclined folks') disgust with it, voter turnout in the United States is rarely above 40% non-presidential years. When a presidential candidate is on the ballot, turnout increases to maybe 60%, with most of that 20% turning out just to vote for their presidential candidate of choice. With the presidential candidate at the top of the ticket, combined with straight ticket voting, that can mean thousands and thousands of voters casting their vote for the president, then because they are not informed about the rest of the races, simply casting their vote in favor of the party of their candidate all the way down the line.

What it means for the race between John Gard (R) and Steve Kagen (D) is that it all could be decided not upon the candidates themselves, or the issues and positions they campaign on, but rather on how well the presidential candidates Barack Obama and John McCain do in the area. Looking back at 2000 and 2004, Republican George Bush carried the 8<sup>th</sup> district handedly both times. While there's no reliable polling numbers for the 8<sup>th</sup> Congressional District this year, I think it's safe to say that the district will reliably go for John McCain, as it has for the last two elections, which will surely benefit Republican Gard. I'm not saying that he will win, but it won't hurt him in the contest.

My point is, straight ticket voting has the potential to decide elections in certain districts. Is that a truly democratic process? Does it dilute the votes of those who have researched the candidates, and have decided who to vote for by the issues and positions of those running for office? A candidate that benefits will obviously say that straight ticket voting just makes it more simple and faster for voters who support a party and its platform to actually vote. A candidate that does not benefit would probably argue that each vote should be a specific action by the voter, signifying that they indeed support the candidate for each race, and not just the party.

This issue is especially important when one looks at the data from elections over the last 20 years which shows that the percentage of voters "splitting the ticket," that is, voting for one party in the presidential race, and another for congressional race, has been declining steadily, with barely 19% of all votes cast nationally (as opposed to 19% of the eligible voters) splitting tickets. The national average for the difference in 2000 and 2004 of those voting Republican for president and Democrat for congress, and vice versa, was only 1%.



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Will it ever change? The answer is probably a solid ‘no’ due to the obvious advantage it gives to both major parties over that of any and all independents. If there’s anything that the major parties don’t like, it’s independents. Don’t fool yourself, the party will tolerate an independent or two in the caucus if it helps them have the majority or provides vital votes on close issues, but they would much rather have one of their own in the independent’s spot.



### **Professor Versus Pupil**

A UW-Whitewater alumnus versus a UW-Whitewater professor. The alumnus is one Debi Towns and the professor is Kim Hixson, and this race is looking to be one of the hottest in all of Wisconsin. In a district that usually leans Republican, Democrat Hixson squeaked into office in 2006, beating then-incumbent Towns by a mere 38 votes. In a virtual repeat of the ‘06 race, the candidates are deadlocked. This race will probably come down to election day; on election night, look for another recount going into the wee hours of the morning.

Drama is shaping up in the 65<sup>th</sup> district. Democrat John Steinbrink has a strong Republican challenger in Alex Tiahnybok, but this isn’t the first time they’ve faced off. Tiahnybok first faced Steinbrink in their “non-partisan” race for Village President in Pleasant Prairie. As Tiahnybok puts it, “While [Steinbrink] is king of Pleasant Prairie, he’s not king of Assembly District 65.”