



# TILTING *at windmills*

By Charles Peters

## Cruel to Jewell

You may be unaware that Richard Jewell died recently. Jewell, you will recall, was the security guard at the 1996 Atlanta Olympics when a bomb exploded, killing one woman and injuring 111 people. Many more would have died or been injured had not Jewell discovered the bomb minutes before it detonated, and started moving the crowd away.

He was briefly hailed as a hero, but then was transformed into the number one suspect by incompetent FBI agents desperate to break the case and by one of the first of the media frenzies to which we have now sadly become accustomed.

Cox Enterprises and its newspaper, the *Atlanta Journal-Constitution*, the number two culprits close behind the FBI, managed to escape a libel suit they should have lost by dragging out legal proceedings. NBC and CNN at least agreed to compensate Jewell with a monetary settlement. But most of an equally guilty media avoided giving the ultimate finding of Jewell's innocence anywhere near as much space as they had devoted to the accusation of his guilt. The case remains a stunning example of the harm a media frenzy can do. It is no wonder that newspapers and networks did not want to remind their readers and viewers of their culpability by dwelling on Jewell's death.

## Scoops from lame ducks

One reward of having endured life in Washington for the forty-six years that I have

lived here is that you come to understand a few eternal tendencies of the natives. One, observable in the last year of any administration, is a phenomenon that has earned the somewhat harsh name of "lame-duck guts." As the fear of being fired diminishes for the political appointee who is already preparing to leave, he becomes more willing to speak out about what's wrong. Civil servants also know they're freer to talk during an administration's dying days, since the will for the administration to go to the trouble of firing a civil servant also diminishes.

The reason I mention this is to alert my fellow journalists to the bonanza of good stories that awaits them, offering ordinarily hard-to-get glimpses into Washington's inner sanctums.

It might help our Army increase its number of recruits, if, like the Iraqi army's, they were told they could serve near their home.

## Strike one, Hillary fouls

Hillary Clinton continues to win the debates between the Democratic presidential candidates. During the one at Dartmouth, however, there were three points on which some observers, including me, found that she was not impressive.

The least serious was when she couldn't choose whether to root for the Chicago Cubs, the team she claims to have grown up supporting, or the New York Yankees, the team that represents her second adopted home. For a true baseball fan, the choice was obvious—in favor of the team you grew up with,

especially since, as in the case of the Cubs, the team has rarely reached the World Series and last won it in 1908. Mark Shields observes, "Doesn't she know that the Democrats are the party of the underdog?"

## Strike two, Hillary punts

On a more significant matter, Social Security, Clinton refused to state how she would fix it, while both Edwards and Obama answered that they would raise the cap that now protects people from paying Social Security taxes on any income over \$100,000 a year. Is she afraid of offending her wealthy friends and backers?

## Strike three, Hillary chortles

Finally, to me the most telling moment of the debate came when Clinton laughed when Mike Gravel said she should be ashamed of her vote that day for Joe Lieberman's proposal to designate Iran's Revolutionary Guard as a terrorist organization. Instead of laughing, which obviously she did in the hope that the audience would think Gravel was just being off the wall again, she really should have been ashamed. Joe Lieberman has said he wants us to attack Iran. He and his allies are playing a dangerous game that could get us into another war, and she should not have joined them. Is she afraid of offending the right-wing Jewish lobby that supports Lieberman, who now seems to represent AIPAC more than the people of Connecticut?

## The evil of access

The news that the Clintons acted to suppress a critical article about her staff that was to appear in *GQ* is just the tip of the iceberg. I have heard similar stories from other media sources. I don't blame the Clintons as much as I do the reporters who tremble at the thought of being denied access to the next Clinton White House. What I cannot understand is that I can't recall a single case of a reporter, newspaper, magazine, or network being hurt by a White House cold shoulder. Does anyone really think that the reporter who did the *GQ* story, Josh Green, has had his career injured by this episode?

Recall the best-known example of enterprising coverage of Washington, *All the President's Men*. Woodward and Bernstein had no access to White House big shots. They got the story by working the periphery. As for access journalism in general, Art Levine once asked in these pages if Nazi Germany would have best been covered by interviewing Himmler and Goebbels.

## Overlooking Obama

As the media is rushing to get right with Hillary Clinton—that's what West Virginia politicians call making sure you board the bandwagon before it's too late—they're not doing right by the other candidates. On October 2, for example, Obama made what I regard as a truly great speech, at DePaul University. The articles in the *Washington Post* and *New York Times*, instead of telling the reader what Obama said, and evaluating it, dealt with the politics of the speech. I invite you to make up your own mind about the speech and the coverage by going to [www.barackobama.com](http://www.barackobama.com), and then reading the October 3 articles by Jeff Zeleny of the *New York Times* and Alex MacGillis of the *Washington Post*.

## Getting in bed with Ted

Senator Ted Stevens, whom you may recall as the sponsor of that \$398 million Bridge to Nowhere in his home state of Alaska, is under investigation for his rela-

tionship to Bill Allen, a former executive of VECO Corporation, a company that has been the beneficiary of lucrative federal contracts. Allen has pleaded guilty to paying more than \$400,000 in bribes to officials and Alaska state legislators, including Stevens's son Ben, who, Allen says, accepted \$4,000 a month in bribes disguised as consulting fees.

Allen also says he "personally oversaw the rebuilding of Stevens' house," which as a result more than doubled in value, according to the *Washington Post*. The contractors who did the work told the grand jury that their bills were sent to VECO for Allen's approval.

Stevens says that "he paid every bill he received" for the rebuilding. This is an answer you have to love. It sounds righteous, yet it avoids specifying what bills he paid or how much they represent of the value added to the house. (For more on Stevens's activities in Alaska, see "State of Dependence," by Charles Homans, p. 12.)

## Massaging the judiciary

Since 1994 I can't recall having had a sympathetic thought about O. J. Simpson. But I came as close to having one as I could—which is still pretty far from close—when I heard of his legal troubles in Nevada. The Nevada judicial system falls somewhat short of the ideal. More specifically, it is heavily politicized with a number of judges who, to put it gently, do not appear to have been selected on the basis of merit.

Consider district court judge Elizabeth Halverson. Her bailiff has complained, according to *Governing* magazine, that she "demanded that he give her foot massages and back rubs." She has been stopped by the county's chief judiciary officer, Kathy Hardcastle, from hearing criminal cases, because of what Hardcastle calls her "seemingly ... angry, paranoid and bizarre behavior towards staff."

Halverson does seem a bit short of judicial temperament. On the other hand, the complexities of the Nevada judiciary are illustrated by the fact that Ms. Hardcastle may be less than objective,

having previously punished Halverson when Halverson was planning to run for a family court judgeship against Hardcastle's husband.

## Trucks amok

Could heavy trucks have had something to do with the collapse of that bridge in Minneapolis? They were found to have been a factor in the 2000 collapse of Milwaukee's Hoan Bridge. A forty-ton truck, which is supposed to be the weight limit for interstate highways, according to the Associated Press, "does as much damage to the road as 9,600 cars." Yet some states allow even larger trucks on their highways. Last year, Texas alone issued nearly "39,000 such permits."

## Good capitalism

I'm encouraged to see two new books—*Supercapitalism*, by Robert Reich, and *The Battle for the Soul of Capitalism*, by John Bogle, the long-term head of Vanguard Mutual Funds—that begin the serious questioning that is desperately needed of what has happened to American capitalism. The good kind of capitalism meant good men tried to make money, making good products or providing good services to consumers at reasonable prices, with financing provid-

Instead of laughing at Mike Gravel, Hillary *should* have been ashamed.

ed by banks and investors who believed in them, and regulation created under leaders like Teddy and Franklin Roosevelt to keep the bad guys out of the game, or at least to minimize their influence.

## Bad capitalism

The good capitalism never worked quite that ideally, but it was a hell of a lot better than what has developed in the last twenty-five years. Today's smart guys devote their talents to making money, period. They create, buy, and sell financial instruments. They don't create companies,

they trade in companies. When they buy a company, they do one of two things: they fire workers, claim they've increased efficiency, and unload the company at a big profit; or they milk the company of all the cash they can get before finding a sucker to take the empty shell off their hands. My friend Mike Kinsley recently wrote a piece asking how employees could be loyal to an employer like Avis that changed every couple of years as the Wall Street operators play their greedy game.

### Loony capitalism

There was a nutty "markets are always better" and "regulation is always bad" philosophy that came in under Ronald Reagan and opened the door for the bad guys to rush in and tempt good guys to lose their integrity in their haste to get rich. What happened in the sub-prime mortgage market illustrates

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much of what has gone wrong. A new financial instrument was created. It bundled mortgages bought from the original lender and then sold the bundle to a hedge fund or some other financial institution that had no relation to the original borrower.

This meant that the original lender was tempted to make loans on any terms, however unsound or misleading, that would attract borrowers, because the lender would be paid off by the bundler and did not have to worry about collecting the loan. The institution that bought the bundle did so with assurances from rating firms who wanted the bundlers' business that the loans were solid. But when the institution found out that some of the loans were shaky, they had no relationship with the borrower to discover just how shaky. Thus, they got nervous, as did the rest of the financial system to which they were linked.

### Scary capitalism

Even worse, and this should make you nervous, there are other financial instruments out there called derivatives. If you want to be sure of getting a headache, ask someone to explain derivatives to you. But you should understand this much: they are not certain to be worth one cent more than the paper they're written on. Their value is derived from the value of other instruments, like those bundled mortgages, so that when the value of the bundled mortgage becomes dubious, its derivative becomes even more so. How much money do derivatives now represent? In the nominal sums that are on the accountants' books, half a quadrillion dollars. That's \$500,000,000,000. We won't discover how much of that is real money until there is a market collapse, when it may be too late.

### A few good capitalists

There are some good guys in the world of capitalism. Bill Gates and Warren Buffett are examples of the right kind of entrepreneur and the right kind of investor. Gates made his money by creating a good product, and

Buffett by carefully investing in good companies. And they have given large chunks of their money to the cause of helping those less fortunate. But the hard truth of today's capitalism can be found in a book, *All the Money in the World*, edited by Peter Bernstein and Annalyn Swan, who report that 99 percent of the assets of the country's super-rich remains in their own pockets, with only a little over 1 percent going to the kind of worthy projects supported by Gates and Buffett.

### Sick capitalism

That kind of greed has been demonstrated in what has happened to the nation's nursing homes. Nursing homes began as something that a nice lady who had inherited a big house but little income did to make ends meet and do good at the same time:

taking elderly neighbors into her home and providing them loving care for a modest fee. Now these homes are owned by large corporations to whom profit is more important than the quality of care. Habana Health Care Center, in Tampa, Florida, was purchased in 2002, one of the thousands of nursing homes bought in recent years by large private investment firms like Warburg Pincus and the Carlyle Group. Habana created a "hellhole," Vivian Hewitt told the *New York Times* after her mother died when "a large bedsore became infected with feces."

### Honest Obe

All of this helps explain why I was proud of Barack Obama when he told a roomful of Wall Streeters that they must abandon their "what's good enough for me is good enough." He continued: "If we are honest, I think we must admit that those who have benefited from the new global marketplace—and that includes almost everyone in this room—have not always concerned themselves with the losers in this new economy."

### Make the pledge

I was not proud of Obama on another matter, however. I still have not recovered from hearing him, John Edwards, and Hillary Clinton refuse to pledge that they would have our troops out of Iraq by 2013.

Our troops are not the solution. They're part of the problem. Their presence protects the Green Zone, where Iraqi politicians can endlessly delay facing their duty to find a political solution that will end their country's sectarian strife. Furthermore, our troops constitute a magnet that draws Islamic extremists into Iraq to kill our soldiers.

### Why can't we leave?

As for Obama's comment that we can only withdraw slowly, I remind him and our readers that we got our troops out of Vietnam at the rate of 140,000 a year while a war was raging. Assuming the 30,000 surge troops are withdrawn before Bush leaves office, this means we could get everybody out of Iraq in one year.



John Edwards said we need enough troops to protect the embassy in Baghdad and the American civilians who will still be working in Iraq. Why? We took all of our people out of Vietnam, including all civilian workers and the entire embassy. Obama thinks we need to leave a small force to fight al-Qaeda in Iraq. But how will al-Qaeda in Iraq survive without our presence to attract recruits for jihad against the great Satan from the West?

In this connection, our alumnus Nicholas Thompson made a lovely point in a recent op-ed in the *New York Times*. He asked, wouldn't we be better off not constantly seeking confrontation with radical Islam? The more we become the enemy, the more their forces seem to grow. Thompson asked, why don't we let them self-destruct just as communism did? They have sown the seeds of their own demise by their suppression of women and homosexuals and by their denial of the right of people to think and speak for themselves.

### What, we have to wear uniforms too?

Two news stories provide hints of the state of today's Iraqi army. One, by Greg Jaffe of the *Wall Street Journal*, describes how Iraqi army Brigadier General Falah Hassan Kinbar "barely escaped a kidnap attempt by the Mahdi Army, a radical Shiite militia," during which "more than a dozen of the moderate Shiite general's own men betrayed him." An American colonel told Jaffe that the general is "one of the few military commanders up here who refuses to violate his own principles and work with the Mahdi Army. That's why they want to kill him." Brigadier General Kinbar says, "I want to do my duty. But I am very sure my own government will abandon me." He wants the Americans to help him escape and relocate. "Any country," he pleads. "Any country."

In the other story, by the Associated Press, the good news is that the Iraqi army is enjoying recruiting success. The bad news is how they're doing it. Recruits are being promised that they will not be sent far from home.

"They want to serve Iraq," an American colonel explains, "but they wanted to do it in the local area."

Just how a national army can function if its soldiers can't be sent to all parts of the country is not explained. But, before the change in the recruiting rules, "U.S. officials were finding that after joining and going through training, many new Iraqi soldiers would quit after learning they were to be assigned to a post far from their homes."

It might help our own Army increase its number of recruits if they were told they could stay near home in Alabama or Wyoming or wherever and not have to go to a place called Iraq. But you have to suspect that our soldiers who have been sent to Iraq wonder a bit about the dedication of their Iraqi counterparts, for whom American lives are being risked far from home.

### Keep up the bad work?

As for the Iraqi police, according to a report in the *New York Times*, we have failed so abysmally with their training that "we should start over." We have now had four and a half years to train the Iraqi police and army. What about our conspicuous lack of success during all that time makes us confident that we know how to do the job now? And if we leave some soldiers behind to do the training, who is going to protect them? More guards from Blackwater?

### The third-tour test

Since I hope that someone will give a copy of what I'm writing now to all the Democratic candidates, I ask your forgiveness for repeating a couple of other points.

As to the argument that a mutual slaughter of Sunnis and Shiites might follow our departure if we don't stay long enough, the British had a presence in India for more than 100 years, behaving more wisely than most colonial powers. Still, when they left, the Hindus and Muslims engaged in a mutual slaughter that killed more than a million people.

Finally, I ask our Democratic leaders the same question I posed at the end of this column two months ago. Are they confident enough that our staying in Iraq will lead to a peaceful, stable, and democratic country that they are willing to assure each soldier leaving for Iraq for the third or fourth tour that it is worth risk-

ing his life again—every day, for fifteen more months?

### Soldiers' shoes

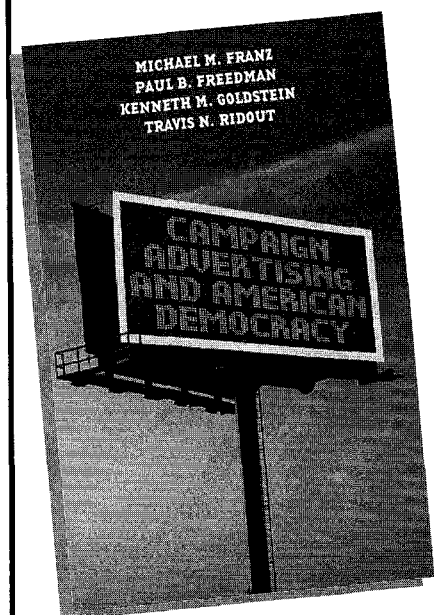
It seems incredible to me that at least thirteen Republicans wouldn't stand with the Democrats to demand that soldiers at least be given fifteen months at home before being sent back to Iraq. Why can't they put themselves in the shoes of those soldiers?

Of course, the soldier will tell you that he's ready to go back. He wants to do his duty. But can you really doubt that in his inner soul he wants to live, and to live as a whole human being, with all his limbs, a brain that still works, and a face that isn't disfigured?

When I was thirteen, I went to military school. I was miserable. But when a friend visited me, I felt I had to put on a brave front. I told him I loved it. *WM*

Charles Peters is the founding editor of the *Washington Monthly*.

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# Tale of the Tape

THE WASHINGTON MONTHLY MEASURES UP THE HEAVYWEIGHTS  
IN THE 2008 PRESIDENTIAL CAMPAIGN.

## HILLARY "DONE DEAL" CLINTON

**Height:** 5'6"

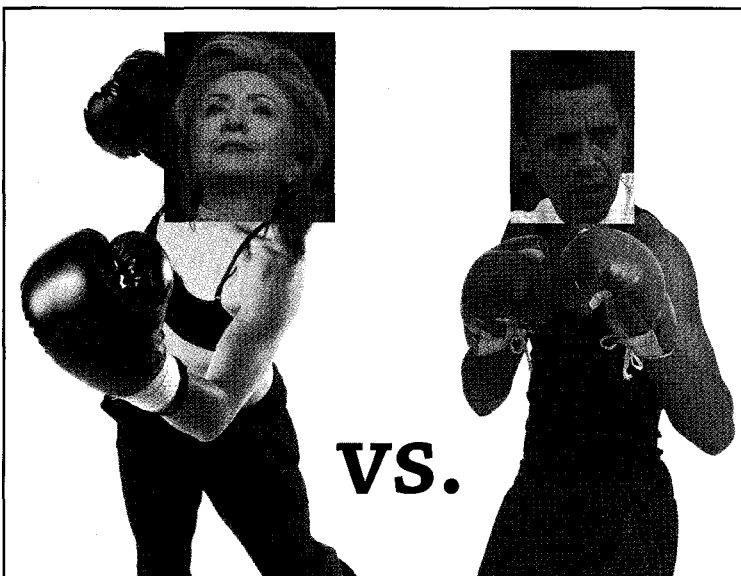
**Reach:** National

**Weight (Wait):** Since the health care defeat of 1994

**Fighting style:** Stays to the center of the ring, hard to pin in corner

**In her corner:**

Bill Clinton, Mark Penn, Patti Solis Doyle, Mandy Grunwald, Howard Wolfson, Harold Ickes, Terry McAuliffe, Tamera Luzzatto, Angelo Dundee, the Republican establishment



## BARACK "PROFESSOR PUGILIST" OBAMA

**Height:** 6'1"

**Reach:** International, possibly interplanetary

**Weight (Wait):** Since convention speech of 2004

**Fighting style:** Above the pettiness of our current boxing world

**In his corner:** Oprah

## RUDY "QAEDA HATA" GIULIANI

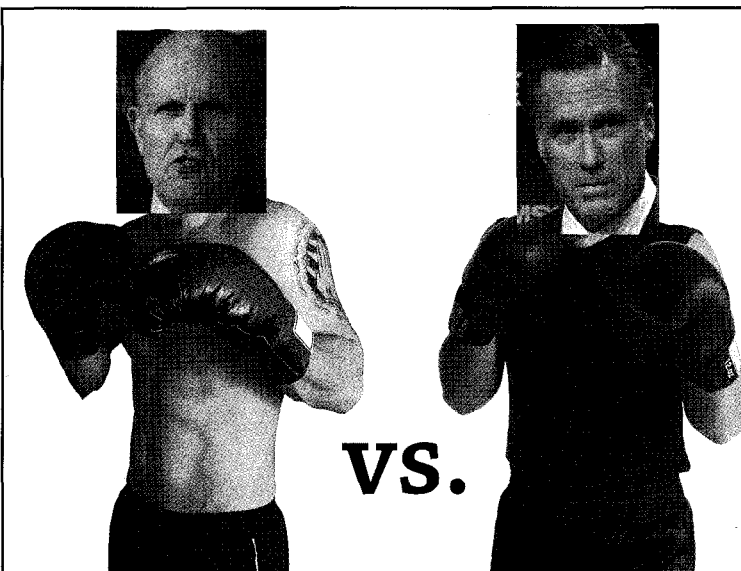
**Height:** 5'10"

**Reach:** Anywhere Verizon can reach

**Marriages:** Three, to the discomfort of his Church

**Hair:** From comb-over to cue ball

**Fighting style:** Below the belt (savagely)



## MITT "YOU CAN CALL ME MITT" ROMNEY

**Height:** 6'2"

**Reach:** Anywhere you want him to reach

**Marriages:** One, to the discomfort of his Church

**Hair:** As rich and pliant as the candidate from whom it sprouts

**Fighting style:** Below the belt (obligingly)

## THE UNDERCARD

- What many consider the main event: Jeri vs. Judy
- Bill Richardson vs. Joe Biden in the "We Coulda Been Contenders Bout"
- Mike Huckabee vs. Dennis Kucinich, bantamweight division

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