

Throw Them ALL Out

by Tony Lee

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Congress's approval ratings are at all time lows. So are President Obama's. Mainstream media organizations are losing more of the public's trust by all measures. The Republican presidential field is not capturing anyone's imagination. Those associated with the Tea Party movement and Occupy Wall Street protests (at least those who are not murderers, rapists, and spreaders of contagions) have expressed their frustrations at a system in which the playing field is by no means level.

A new book by [Sarah Palin](#)'s adviser Peter Schweizer appropriately titled, [*Throw Them ALL Out*](#), documents the inner workings of Washington that many have always suspected.

Last night on CBS's *60 Minutes*, the revelations of Schweizer's book were detailed. [Nancy Pelosi](#)'s purchase of VISA stock while she was overseeing legislation that would directly impact the stock's value was chronicled. Former Speaker Dennis Hastert's land dealings were discussed. Alabama Congressman Spencer Bachus's stock trades, with access to information that the public did not have during the TARP debate, were mentioned--as conservative firebrand [Andrew Breitbart](#) has called for Bachus to resign from Congress. Senator Judd Gregg was not spared. Neither were [John Boehner](#) and John Kerry's trades in healthcare stocks.

As Schweizer writes in [*Throw Them ALL Out*](#):

Politicians have made politics a business. They are increasingly entrepreneurs who use their power, access, and privileged information to generate wealth. And at the same time well-connected financiers and corporate leaders have made a business of politics. They meet together in the nation's capital to form a political caste.

In short, the Permanent Political Class has clearly figured out how to extract wealth from the rest of us based solely on their position and proximity to power. If you have a seat at the table, you are in for a feast. If you don't have a seat at the table, you are probably on the menu. Exactly how crony capitalists are consuming public wealth and fattening themselves is the subject of this book.

In his book, there are even more revelations about Pelosi. Consider this:

For years, Nancy Pelosi has pushed for earmarks to construct and ultimately extend San Francisco's so-called Third Street Light Rail Project. In 2004, she boasted to her constituents that she had secured more than \$120 million in federal money for the

project. Third Street is one of the most expensive light rail projects ever, costing \$660 million for just a six-mile route.

According to Schweizer, those earmarks had the effect of directly benefiting the commercial property holdings the Pelosis had near those lands where federal money was doled out for these projects.

Schweizer also details how Pelosi, perhaps like [Pete Rose](#) betting on his team to win, often supported policies and green energy programs in the name of promoting liberal leaning policy objectives that would also conveniently benefit her stock holdings.

What's even more frustrating to Schweizer is that none of these activities, many of which would be illicit in other industries, are perfectly legal. As Schweizer writes, that is a main reason why politicians who come to Washington without too much money end up becoming millionaires many times over by peddling access and information. Schweizer writes:

Access to government information is critical. And being on good terms with the gatekeepers of that information — elected officials, political appointees, and bureaucrats — can make all the difference between getting rich and getting hammered in the market.

Obama is not spared in the book either. Much of Obama's venture socialism has been on display recently with revelations coming out every day about Obama's "green loans" to companies like Solyndra and SunPower. In [Throw Them ALL Out](#), Schweizer contends that Obama has always been associated with crony capitalism since he was a state senator in Illinois.

Schweizer notes that Obama wrote in [The Audacity of Hope](#), of how his credit card was denied by a rental car company. Shortly after, a wealthy political donor named [Robert Blackwell](#) paid him a \$112,000 legal retainer over 14 months.

Schweizer points out, though, that, "here's what Obama failed to note in his book, and what came to light only later, thanks to investigative reporting: State Senator Obama subsequently helped Blackwell's table tennis company receive \$320,000 in Illinois tourism grants to subsidize a state Ping-Pong tournament."

After Obama came into office, many of his political allies benefited from their connections to him in the form of government loans and favors. Some allies Schweizer names include: Steve Spinner, [Jonathan Silver](#), Sanjay Wagle of the Clean Tech and Green Business Leaders for Obama.

Further, Steve Farber raised nearly \$40 million for Obama's inauguration and then boldly placed an add in the *Wall Street Journal* touting his firm's connections to Obama:

“Expertise in sustainable energy law is worth nothing without connections,” the advertisement read. “Learn how we’ve helped clients obtain funding from the Department of Energy through the American Recovery and Reinvestment Act.”

Consider another case documented in the book: Granite Reliable Wind was offered \$135 in federal loan guarantees.

Schweizer notes that this is significant because Granite Reliable Wind is owned and managed by [CCMP Capital](#), “which is where the White House Deputy Chief of Staff Nancy-Ann DeParle had been managing director before joining the Obama administration.”

And then there is Warren Buffet.

Consider these passages:

In the fall of 2010, Buffet wrote “Thank You, Uncle Sam,” an op-ed in the [New York Times](#) in which he praised the role that government played in stabilizing the markets throughout the crisis. ...

With tongue sarcastically in cheek, journalist Ira Stoll, the former managing editor of the [New York Sun](#), suggested the bio might have been more accurate with a bit of rewriting: “[Warren Buffett](#), the largest crony capitalist in the world, shareholder of [GE](#), [Goldman Sachs](#), [Wells Fargo](#), [US Bancorp](#), [M&T Bank](#), and [American Express](#), as well as competitor of private equity and hedge funds that have been threatened with new taxes and regulations, and behind the scenes insider adviser to most of the government officials mentioned above.” ...

Again, to be clear, even though Buffet was the one who proposed the public-private partnership, there is absolutely nothing illegal about lobbying for a policy while investing in the potential winners if that policy is adopted. But consider this: had Buffet been pushing a private investment house to make an acquisition that would benefit certain stocks while quietly buying shares in those same stocks, he would possibly have been investigated for insider trading.

Because most of the accounts in Schweizer’s book, though outrageous and a clear conflict of interest, are legal, Schweizer proposes some legal reforms.

In a chapter titled “Breaking the Back of Crony Capitalism,” Schweizer lays out some much needed reforms that he hopes are undertaken. Here are some of his proposals:

- Create a legal code that makes trading on nonpublic government information illegal

both for those who pass the information and for those who trade on it.

- Corporate insiders trading their own company's stock are required to disclose these transactions to the SEC within two days. Why not apply the same standard to Congress?
- [Members of Congress](#) should not be allowed to trade stock in companies that are overseen by their committees.
- Apply whistleblower laws to Congress. If it's good enough for federal workers and corporate employees, it should be good enough for Congress.
- Disallow "sweetheart" IPOs. Unless the initial public offering goes through a public auction, in which people can openly compete for shares in a bidding contest, members of Congress should not be allowed to participate.
- Family members of legislators should not be allowed to become lobbyists.
- The federal government needs to get out of the business of offering grants and taxpayer-backed loans.

Americans who have suspected that Washington does not have their interests at heart and wonder on their trips to the nation's capital how it is such a gilded boomtown will get answers in this book.

The country is at the beginning stages of a citizen revolt against the permanent political class whose interests are tied to the crony capitalistic system that benefits their own self-interest.

Look for this book -- and Schweizer -- to be on the frontlines in combating and fighting this breach of trust by the country's elected officials. With a documentary based on [Throw Them ALL Out](#) rumored to be in the works with conservative filmmaker Steve Bannon, Schweizer and his ideas for combating Washington's culture of crony capitalism and the permanent political class are not going away.

And if frustrations against the establishment on both sides of the aisle and Washington the last four years are any indication, the marketplace for Schweizer's ideas and similar works will only grow.

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