# Op/Ed



RICHMOND BASEBALL

## It's Not Who Wins, It's What You Remember

BOB RAYNER

My family arrived in Richmond on a train from Newark, Del., on a summer night in 1966. My dad — already here for his new job — picked up my brother, my mother, and me at Broad Street Station.

We weren't exactly come-heres — my mom's family had lived in Richmond since before the Civil War — but for a young boy raised on the Eastern Shore of Maryland and in a college town outside Wilmington, this felt like moving to the big city. That train station, for one thing, was a wonder to behold, with its high ceiling and dark, wooden benches that reminded me of ridiculously long church pews.

My brother and I were fascinated by the escalators at the downtown Miller & Rhoads, by all those monuments and Civil War cannons, by the row houses in the Fan, with narrow cobblestone alleys hiding behind them. We were headed for a ranch house in the suburbs, but even a pair of little boys could sense something exciting about living in a place with a real city at its heart.

Odds are pretty good that the lights were shining the night we arrived, just a few blocks away on the Boulevard. The Richmond Braves moved to town a couple of months before we did. They took the field against teams with names like the Rochester Red Wings and the Toledo Mud Hens in an old tinderbox called Parker Field, on land where The Diamond sits now.

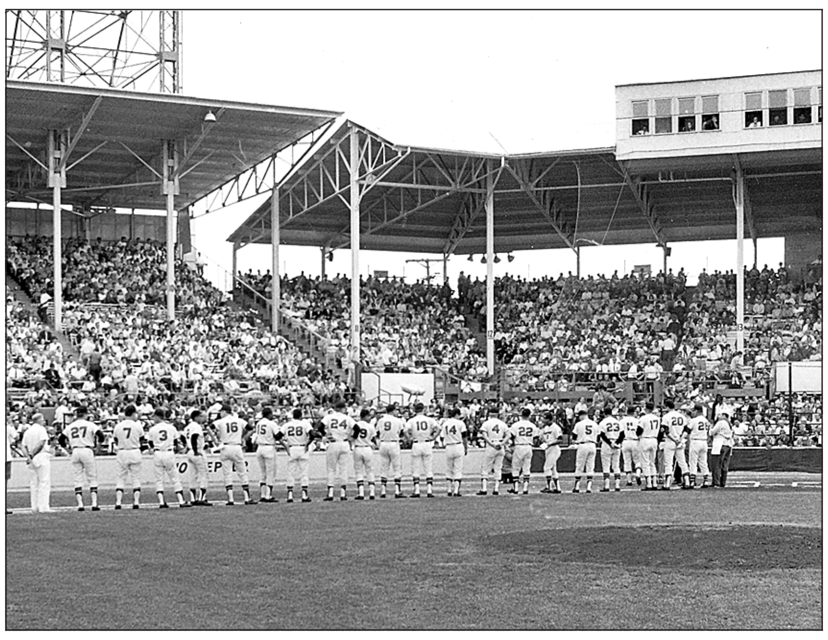
PARKER FIELD'S timbers literally trembled when the Braves rallied. If you dropped a peanut, chances were good it would slip through one of the cracks in the floorboards before you could retrieve it, landing perhaps in the fedora of some unsuspecting fan strolling beneath the grandstand.

I remember lots of trips to Parker Field with my dad and my brother and our friends. In those days, Dusty Baker and Ralph Garr and Darrell Evans wore the Richmond uniform before moving on to distinguished careers in the big leagues. I especially remember a day — must have been around 1971 — when the Atlanta Braves came to town to play an exhibition game against their top farm club, a nice tradition that largely faded away as baseball grew into an even bigger business than it was back then.

The great Henry Aaron made the trip and took at least a couple of at bats. I know because I can still remember the classy slugger — surprisingly slim for such a prodigious power hitter — ambling up to the plate, slowly swinging his bat in front of him, like a man clearing a path through tall grass. I don't recall if he got a hit — and it doesn't matter. Hank was here, at Parker Field. I saw him and I remember, nearly four decades later.

The Baltimore Orioles occasionally played exhibition games at Parker Field as they worked their way north from spring training in Florida. In 1970, the Orioles brought one of the great teams of all time to town, to take on the hapless Philadelphia Phillies. Boog Powell seemed too gigantic for any one human, Brooks Robinson too graceful. Frank Robinson hit a shot that cleared the center field fence by a mile and looked like it wouldn't stop till it ricocheted off the Central National Bank building on the distant horizon. Can't remember who won that game, but the Orioles did go on to win the World Series in October.

**Parker Field's timbers literally trembled when the Braves rallied.**



FILE PHOTO/TIMES-DISPATCH

**Labor Day, 1967, the last day of regular season play, at Parker Field.**

YEARS LATER, the scores are forgotten, but the memories linger deep.

Few lamented the demolition of rickety Parker Field in 1985. We were too proud of our sparkling new stadium and the community teamwork that made it possible. When it opened, The Diamond was the best ballpark in minor-league baseball, with shiny seats, clean concrete lines, and luxury boxes that were quite comfortable if not terribly luxurious.

So the memories of Parker Field were enhanced by some new ones at The Diamond — these with my dad and my mom, but also my wife, and my son, and my daughter. Baseball is too often trivialized by efforts to overload it with mythology and hard-to-fathom literary import. Still, it is not just a perfect summer game. It is an experience that bonds father and son, brother and brother, and, yes, father and mother and daughter.

As we ponder the loss of the Richmond Braves, we'll assess the economic impact — not all that big. And the loss of a little prestige — embarrassing but we'll survive. But we'll also have to account for the experiences that will be forfeited, the memories that will not be made, the bonds that will not be strengthened, though we'll surely find other ways.

Perhaps most important, we'll have to ask ourselves how we managed to squander this small but pleasant aspect of our city, why we were so careless in letting baseball slip from our grip. And we're left to wonder if we can do any better when it comes to more important things. Is the heart failing? Or did it just skip a beat?

SUBPRIME DEBACLE . . .

## Capitalism's Greatest Enemies May Be Capitalists

ROBERT SAMUELSON

WASHINGTON

Amid the mayhem on world financial markets, it is becoming clear that capitalism's most dangerous enemies are capitalists. No one can have watched the "subprime mortgage" debacle without noticing the absurd contrast between the magnitude of the failure and the lavish rewards heaped on those who presided over it. At Merrill Lynch and Citigroup, large losses on subprime securities cost CEOs their jobs — and they left with multimillion-dollar pay packages. Stanley O'Neal, the ex-head of Merrill, received an estimated $161 million.

Everyday Americans will conclude (rightly) that this brand of capitalism is rigged in favor of the privileged few. It will be said in their defense that these packages reflected years of service, often highly successful. So? It's not as if these CEOs weren't compensated in all those years. If you leave your company in shambles — with losses to be absorbed by lower-level employees, some of whom will be fired, and shareholders — do you deserve a gold-plated send-off? Still, the more serious problem transcends the high pay itself and goes to the wider consequences for the economy.

Wall Street's pay practices perversely encourage extreme risk-taking that can destabilize the economy. Subprime mortgage losses may simply be chapter one. Now there are signs of problems involving securities known as "credit default swaps." Never mind the details. Concentrate on the possible fallout. If banks and investment houses sustain more losses, the nation's credit system will be further wounded and so will the economy. The Federal Reserve yesterday cut its key overnight interest rate from 4.25 percent to 3.5 percent — a huge move — in part to shore up this wobbly credit system.

BY "WALL STREET," I mean all the commercial banks, investment banks, mutual funds, hedge funds, and the like that comprise the financial sector — but particularly investment banks. Pay is eye-popping. In 2007, Lloyd Blankfein, chief executive of Goldman Sachs, received compensation estimated at $68 million. But pay is also heavily skewed toward annual "bonuses" based on the profits that traders and bankers generate. I asked Johnson Associates, a compensation consulting firm, for typical Wall Street pay packages. The results describe "managing directors" based in New York with 10 or 15 years experience. Most would be in their 40s.

Here are estimates for 2007:

- Investment banker: $2.1 million, consisting of $275,000 in base pay plus $1.2 million in cash bonus and $625,000 in long-term bonus. (An investment banker helps firms raise capital by selling new stocks and bonds and also advises on mergers and acquisitions.)
- Bond trader: $1.525 million, with $240,000 in base pay, $975,000 in cash bonus, and $310,000 in long-term bonus.
- Hedge-fund manager: $1.85 million, split between a salary of $265,000 and $1.585 million bonus.

Just why investment bankers and traders out-earn, say, doctors or computer engineers is a question I've never heard convincingly answered. Are they smarter? Unlikely. Do they contribute more to the economy? Questionable. True, Wall Street often performs a vital function. It channels savings into productive investments. It helps provide access to capital and credit. In 2006, U.S. companies raised nearly $4 trillion through new stocks and bonds. Many financial innovations, including mortgage-backed securities, have benefited individuals and companies.

BUT WALL STREET also frequently misallocates capital and credit. The "tech bubble" of the late 1990s was one episode. Now we have subprime mortgages. Why? Well, the herd mentality of financial crazes has a long history. But compensation practices skewed so heavily toward bonuses based on annual profits make matters worse.

"People self-select for careers. On Wall Street, they self-select for the money," says pay consultant Alan Johnson. "Wall Street is a sales business — they sell bonds, securities, transactions, ideas. . . . They're not paid to be long-term, philosophical, reflective." The pressure is to do the next merger, sell more stocks and bonds, do more trading — whatever boosts current profits and bonuses, the long-term consequences be damned.

"These are my MBA students, not just mine but MBAs [masters of business administration] from Harvard, Stanford, Pennsylvania," says economist Allan Meltzer of Carnegie-Mellon University. "They were buying and selling this garbage [subprime mortgage securities]. Are they so stupid? They got compensated for doing it. If they didn't do it, they'd lose their jobs."

To be fair, the real estate bubble had many causes, including low interest rates, the political popularity of homeownership, and the (mistaken) belief that housing prices could never fall. This may explain why, so far, the backlash against Wall Street has been muted.

But if the subprime failure turns out to be a preamble to a larger financial breakdown, flowing from the creation of new securities that offered short-term trading possibilities but whose long-run risks were underestimated, then the mood could turn uglier. Indeed, many Americans may conclude that capitalism has run amok.



. . . SUBPRIME BAILOUT

## To Fix It, Bush Makes More Mess

WALTER WILLIAMS

FAIRFAX

A subprime lender is one who makes loans to borrowers who do not qualify for loans from mainstream lenders. It's a market that has evolved to permit borrowers with poor credit history and an unstable financial situation the opportunity to get home mortgages. The catch is that they pay a higher and typically an adjustable rate mortgage (ARM). Encouraged by the housing bubble, easy credit, along with the expectation that housing prices would continue to appreciate, many subprime borrowers took out mortgages they could not afford in the long run, particularly if interest rates rose and housing prices depreciated.

As with most economic problems, we find the hand of government. The Community Reinvestment Act of 1977, whose provisions were strengthened during the Clinton administration, is a federal law that mandates lenders to offer credit throughout their entire market and discourages them from restricting their credit services to high-income markets, a practice known as redlining. In other words, the Community Reinvestment Act encourages banks and thrifts to make loans to riskier customers.

According to an article in *The Atlanta Journal-Constitution* last November, titled "Black Atlantans Often Snared by Subprime Loans," by Carrie Teegardin, a national study of credit scores, not just mortgage loan applicants, found that 52 percent of blacks have credit scores that would classify them as subprime borrowers, compared with 16 percent of whites.

MANY LENDERS did make loans to people who had no realistic ability to pay them back. But that doesn't qualify as fraud, although there might have been a bit of exuberance in the repackaging of the mortgages into securities and selling them to investors. Some argue that many borrowers defrauded the banks by misrepresenting their income, the so-called "no doc" loans or "liar's loans."

President Bush's plan to deal with the subprime crisis is to freeze interest rates on adjustable rate mortgages. Freezing interest rates would stop people's mortgage payments from increasing. That is a gross violation of basic contract rights and would appear to be a Fifth Amendment violation. If a contractual agreement is willingly entered into and agreed upon by a borrower and lender, it is binding — and if broken by one party or the other, harsh penalties should ensue.

Now here comes government, under the Bush plan, to declare millions of contracts null and void. The long-run effect of the Bush plan is to make lending institutions even more selective in choosing borrowers. Then there's the question: If government can invalidate the terms of one kind of contractual agreement where the borrowers can't pay, what's to say that it won't invalidate other contractual agreements where the borrowers encounter hardship, and what will that do to financial markets?

THE BUSH bailout, as well as Federal Reserve Bank cuts in interest rates, is a wealth transfer from creditworthy people and taxpayers to those who made ill-advised credit decisions, and that includes banks as well as borrowers. According to Temple University professor of economics William Dunkelberg, 96 percent of all mortgages are being paid on time. Thirty percent of American homeowners have no mortgage. Delinquency rates were higher in the 1980s than they are today. Only 2 to 3 percent of all mortgages are in foreclosure. The government bailout helps a few people at a huge cost to the rest of the economy.

Government policy got us into the subprime mess and government's measure to fix the mess is going to create more mess. As such I'm reminded of Marcus Cook Connelly's spiritual play, "Green Pastures," where God laments to the Angel Gabriel, "Every time Ah passes a miracle, Ah has to pass fo' or five mo' to ketch up wid it," adding, "Even bein' God ain't no bed of roses." That's something the president and congressmen should think about — and leave the miracle business up to God.



CRIME PREVENTION

## Kaine's Pre-K Plan Will Cut Crime

C.T. WOODY JR.

Last month, Gov. Tim Kaine made a crucial crime prevention proposal in his new biennial budget. He asked the legislature for $56.3 million to expand funding for Virginia's current pre-kindergarten program, the Virginia Preschool Initiative (VPI).

What does early education have to do with crime prevention? Plenty.

Law enforcement leaders know from experience — and research proves — that high-quality early education programs cut crime.

The consequences of a weak educational foundation weigh heavily later in life. In fact, the Department of Education reported that inside U.S. jails and prisons, 19 percent of adult inmates are illiterate, and up to 60 percent are functionally illiterate. In contrast to this, our national adult illiteracy rate stands at 4 percent, with up to 23 percent functionally illiterate. Education is such a critical link in deterring criminal involvement that even beyond youth, national researchers found that among adults, education programs show promise for decreasing recidivism.

CONSIDER the findings from these landmark studies:

- *The Michigan Perry Preschool Program.* Researchers followed a group of at-risk 3- and 4-year-olds who participated in the program and a group who did not. At age 27, the at-risk kids who were excluded from the program were five times more likely to grow up to become chronic lawbreakers than those who attended the program. And, by age 40, those left out of the program were twice as likely to have been arrested for violent crimes.
- *Chicago's Child-Parent Centers.* Researchers found that at-risk kids who were left out of the early education program were 70 percent more likely to have been arrested for a violent crime before their 18th birthday than kids who attended the program.

Research shows that 90 percent of the brain is formed before a child turns 5. That is why early childhood development experts and prominent economists are calling for more investments in pre-K. A child who arrives at kindergarten prepared to learn has a far greater chance at excelling not just in his or her early years but far into his academic career and beyond.

Unfortunately, many hardworking Virginia families cannot afford the high cost of early education. As a result, many children are arriving at kindergarten far behind their peers. When they start behind, they are more likely to stay behind.

EIGHTY-EIGHT percent of children who are poor readers in the first grade remain poor readers by fourth grade. We know that if a child is unable to read by the third grade, he is unlikely to graduate from high school. And some may know the Urban Institute's findings that of the more than 7 million people released from U.S. jails each year, two-thirds have no high school diploma.

Currently, around 20 percent of Virginia's third-graders are still failing the state Standards of Learning (SOL) reading exam. Without our support for our children's educational future today, our community will pay the cost tomorrow.

No child should be turned away from a high-quality, early education program because his or her parents can't afford it. The current preschool program, Virginia Preschool Initiative, serves approximately 13,000 children statewide. The proposal expands funding to serve nearly 20,000 children by the end of the biennium.

A vote for increased investments in early education is not just a vote for Virginia's children. It is a vote for the long-term safety and economic security of our communities.

• C.T. Woody Jr. is Richmond's sheriff.