

EUGENE B. SYDNOR, JR.
POST OFFICE BOX 1474
RICHMOND, VIRGINIA 23212

received
5/27/71
243 000 64

May 21, 1971

Dear Lewis,

Attached are two articles from the Wall Street Journal of May 21 emphasizing the very points you and I discussed recently and which we plan to discuss with Archie Davis and Arch Booth.

Perhaps you have already seen them, but I think they express the concern and objectives which we both feel are extremely important.

With best wishes,

Sincerely yours,



Eugene B. Sydnor, Jr.

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243 20064



NPI

NEWS.PERSPECTIVE INTERNATIONAL

Suite 606 Davis Building / 1629 K Street, N.W. / Washington, D.C. 20006 / Area Code 202/296-4726

William J. Gill
President

August 20, 1971

Mr. Lewis F. Powell, Esq.
Hunton, Williams, Gay, Powell
& Gibson
The 700 Building
Richmond, Virginia



Dear Mr Powell:

Dave Bell has told me of his telephone conversation with you and he asked me to send you some additional information about NPI.

Attached is an outline of our plan to crack the TV network and wire service monopoly on the dissemination of national and international news. We have been delayed by the difficulties involved in the initial financing of this project during a period of economic uncertainty. However, we have now raised one half of the first \$300,000 needed to produce the pilot programs and complete the most important phase of the remaining development, i. e. the merchandising of the programs to corporate sponsors.

This is an admittedly ambitious project. But nothing less than this can succeed in breaking through the iron curtain the TV networks and other media have imposed upon important stories such as the Supplemental Statement your Blue Ribbon Defense Panel submitted to the President and the Secretary of Defense.

This, incidentally, is a story I have been interested in very deeply for a number of years. Several years ago I initiated the study, "The Changing Strategic Military Balance -- U. S. A. vs USSR" which was issued jointly by the House Armed Services Committee and the American Security Council. At least with that study we did manage for a time to break into the national media, and even the New York Times carried the story on the front page. We achieved several of our immediate goals as a result, but did not solve the overall problem (as your study tragically attests) because the media failed to follow through on a sustained basis.

It was at this point that I came to the conclusion that unless we have a truly national vehicle for dissemination of the news on a day-in-day out basis, we could never hope to correct some of the grave problems afflicting our country. Hence, NPI.

Dave wanted me to ask you if you had read my latest book, THE ORDEAL OF OTTO OTEPKA. Attached are a few reviews of this book, which I think will better explain why your Defense Panel report has been largely suppressed.

I also want to congratulate you on the courageous and magnificent job you did on the Defense Panel study. We have sent you copies of the August 4th Congressional Record under separate cover, and if you will read the pertinent pages we excerpted you will find many references to your study. In fact, I believe it was your study that prompted the Congressmen to mount the colloquy in the House.

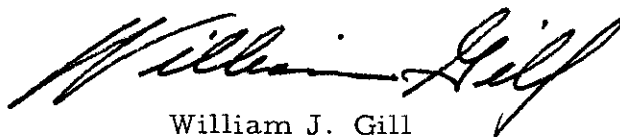
There is no point in kidding ourselves: As your report so dramatically emphasizes, the hour is very late. However, if we can get NPI into orbit and begin informing the American people of the hard realities of national and international life, we may yet have a chance to turn the tide.

I have been in touch with George Champion and Hobart Lewis, two other members of your Blue Ribbon Defense Panel. George has given us some valuable help in steering us to people who can help get NPI off the ground. Hobe Lewis seemed to feel that our plans to crack into television were outside his province as publisher of a magazine.

Confidentially, I tried very hard to get The Reader's Digest to let me do a story on the shifting strategic balance back in 1964. I was given another assignment at the time and told that the one I was most interested in was being done by another man. It finally came out in February 1968 -- nearly four years later. And it was based almost entirely on my Strategic Balance study and a subsequent study by the Georgetown Center of Strategic Studies, which had refused to do my study earlier but was forced to publish one of their own after we issued ours through Mendel Rivers' committee.

There is much more to talk about and I hope we can get together in the near future to discuss your ideas for helping us get launched.

Yours sincerely,

A handwritten signature in cursive script that reads "William J. Gill". The signature is written in dark ink and is positioned above the printed name.

William J. Gill

Special personal

EUGENE B. SYDNOR, JR.
POST OFFICE BOX 1474
RICHMOND, VIRGINIA 23212

August 25, 1971

Mr. Lewis F. Powell, Jr.
P. O. Box 1535
Richmond, Virginia 23212



Dear Lewis:

Again, I would like to say what a superb job you did in preparing the memorandum for presentation to Arch Booth and the U. S. Chamber of Commerce on yesterday. It is an excellent presentation of the vitally important case for American Business to go on the offensive after such a long period of inaction and indecision in telling the American people the facts of life as they unhappily exist today. It was good of you to take the time to come to Washington and talk over these matters with Arch as well as Chuck Harbaugh and Joe Gambatese.

I will keep you informed of further developments, and I do appreciate more than I can tell you your willingness to work so effectively on this important project.

With best wishes,

Sincerely,

E. B. Sydnor, Jr.
Eugene B. Sydnor, Jr.

P. S. I am enclosing copies of Jenk Jones' article of Sunday, August 15, on Daniel Moynihan and also Moynihan's article in the March, 1971, issue of Commentary (the magazine published by the American Jewish Committee).

24300007
August 31, 1971

Dear Arch:

If you decide to reproduce the memorandum which I delivered to Gene Sydnor, I wonder if you could have your secretary send several copies to me.

I want to share it with a client or two on a confidential basis, if Syd has no objection.

I can, of course, xerox my file copy. Thus, I would not want you to make copies unless you were doing so for your own purposes.

Best wishes.

Sincerely,

Mr. Arch N. Booth
Executive Vice President
United States Chamber of Commerce
1615 H Street, N.W.
Washington, D. C. 20006

51/167

cc: Mr. Eugene B. Sydnor, Jr.

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

ARCH N. BOOTH
EXECUTIVE VICE PRESIDENT

September 2, 1971

Mr. Lewis F. Powell, Jr.
Hunton, Williams, Gay, Powell & Gibson
700 East Main Street
Post Office Box 1535
Richmond, Virginia 23212

Dear Lewis:

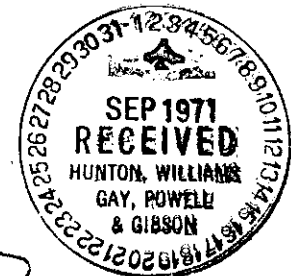
I did have copies of your memorandum run off for distribution to our Executive Committee. Attached are several copies as you requested.

Cordially yours,

Arch

24300064
5 Xerox
copies of
our copy.
These two

1015 H STREET, N.W.
WASHINGTON, D. C. 20006
202 / 639-6207
and not enough



Then ask me what to do with them

September 13, 1971

PERSONAL

Dear Ross:

You will recall our prior discussions as to the plight of the enterprise system, resulting in major part from the massive propoganda waged against it from the campus, media, pulpit and elsewhere.

The present Chairman of the Education Committee of the U.S. Chamber of Commerce, Gene Sydnor, a Richmonder and a long-time friend of mine, asked me to put my views in memorandum form. The enclosed memorandum to Gene of August 23 is the result.

At Gene's request, he and I met with Arch Booth - Executive Vice President of the Chamber - and reviewed the memorandum. It will be submitted, I believe, to a committee of the Board of the Chamber - and may or may not die at that point.

If you think well of it, possibly the top management of GM might be interested in encouraging the Chamber to become a vital force to defend the enterprise system and the freedoms which it sustains.

The difficulty in the past has been, primarily, that business management has been unwilling to make a massive effort to protect itself and the system it represents. Such an effort would require substantial funding and major executive attention at the highest levels. There would, of course, be criticisms and some "backlash". But in the contentious time in which we live, unless one is willing to stand up for what he believes to be right, his views and the values he believes in are not likely to survive.

- 2 -

I also enclose a column by John Chamberlain, describing a new book called The News Twisters - which I have ordered. The thesis of this book accords with my own deep conviction as to the influence and unfairness of the television media.

Sincerely,

Hon. Ross L. Malone
303 East 57th Street, Apt. 3F
New York, New York

51/167
Enc.

September 13, 1971

Dear Gene:

Perhaps you saw the enclosed column by John Chamberlain in the September 10 issue of the Richmond Times-Dispatch.

If Mr. Chamberlain has correctly summarized the new book, The News Twisters, we have documentation for many of the assumptions which you and I have made.

Miss Efron's technique is precisely in accord with one of the suggestions in my memorandum of September 23, namely, the monitoring of television programs to determine factually and in detail the extent of biased and unfair treatment of business and the enterprise system. If Miss Efron could tape-record all of the evening news shows for seven weeks, surely the Chamber of Commerce - directly or by contract - could do this for a couple of months. The present would be an excellent time, as there will be a great deal more talk about the President's economic policies.

I am ordering a copy of The News Twisters. If it is as meritorious as Mr. Chamberlain suggests, perhaps it would be a good idea for the Chamber to send copies to each of its Board members.

I am sending a copy of this letter, with the Chamberlain column, to Arch Booth in the event he may have missed it.

Sincerely,

Mr. Eugene B. Sydnor, Jr.
Ross Building
Richmond, Virginia 23219

51/167

Enc.

cc: Mr. Arth N. Booth

September 15, 1971

Dear Mr. Gill:

This is my first opportunity to reply to yours of August 20, as I have been heavily committed with professional obligations.

I share the view that the TV networks have an unwarranted monopoly, subject to no effective control in the public interest. You may have seen John Chamberlain's recent column, in which he referred to a new book entitled "The News Twisters", by Edith Efron. This may give you some helpful data.

If you have not discussed your ideas with Tennant Bryan, publisher of the Richmond newspapers, it might be worthwhile.

With best wishes.

Sincerely,

Mr. William J. Gill
President
News Perspective International
1629 K Street, N.W.
Washington, D. C. 20006

24300064

September 16, 1971

Dear Kay:

Here is a memorandum which I wrote at Gene Sydnor's request.

Gene is the Chairman of the Education Committee of the U.S. Chamber of Commerce. He and I have discussed the possibility of the Chamber assuming a much larger and more dynamic role in defense - aggressively - of the enterprise system.

This is a long piece for you to read, but I would value your comments - especially in view of your own interest and your own efforts to improve economic education.

Sincerely,

Mr. K. A. Randall
President
United Virginia Bankshares, Inc.
900 East Main Street
Richmond, Virginia 23219

51/167
Enc.

File on 2x3 000 6/4 ✓
EUGENE B. SYDNOR, JR.
POST OFFICE BOX 1474
RICHMOND, VIRGINIA 23212

October 22, 1971

Dear Lewis,

Lucy and I both want to extend our heartiest congratulations to you on your appointment to the Supreme Court. We have every confidence that the good judgment and inherent appreciation for high quality and great achievement on the part of the Senate of the United States will come to the fore and your nomination will be speedily and enthusiastically approved by that body. Lucy felt honored to have had the pleasure of sitting with you on your return from New York on Tuesday when we now understand you were informed of the President's decision to make this most fitting appointment.

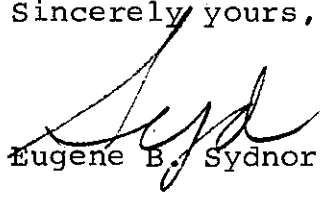
Certainly this appointment symbolizes the highest achievement in the legal profession, and yet I am sure that service in this very eminent position also has its sacrifices. Your friends in Richmond are delighted that the nation will have the benefit of your excellent judgment and great knowledge of the law, but we will miss the pleasure of seeing you as often as we would like. However, our country badly needs men of your talent and integrity to serve in positions of great trust and responsibility.

We will follow your new career with great interest and every possible support. I am particularly pleased that you had the opportunity to draft the excellent and comprehensive memorandum for an action program for American business hopefully under the auspices in one way or the other of the United States Chamber of Commerce. I have talked recently to Arch Booth and find that the Chamber's Executive Committee will meet within the next several weeks to consider what steps to take, and I trust that they will understand and respond affirmatively to the challenge to our free enterprise business system and the basic freedoms of individual citizens by a highly organized and determined minority of liberals bordering on radical. I hope that it may be possible, and ethical, for me to have the benefit of your advice on this project in whatever form it may develop.

II

Again Lucy and I send you our warmest congratulations and best wishes,

Sincerely yours,


Eugene B. Sydnor, Jr.

The Passion That Rules Ralph Nader



all those good works
name of consumerism is a
and angry prophet.
al target is corporate power.

hard Armstrong

On a recent visit to Marymount College in Arlington, Virginia, Ralph Nader arrived at the school gymnasium an hour late. But he then proceeded to pacify an overflowing crowd of restless students—and earn a lecture fee of \$2,500—by denouncing America's big corporations in venomous language. Afterward one question from the audience brought a rousing and spontaneous burst of applause. When, the questioner asked, did he plan to run for President?

A slightly more measured assessment of the Nader phenomenon came from Bess Myerson, New York City's commissioner of consumer affairs, when she introduced him as star witness at a recent hearing on deceptive advertising. "Mr. Nader," she said, "is a remarkable man who, in the last six years, has done more as a private citizen for our country and its people than most public officials do in a lifetime."

The remarkable thing about this tribute is that it is



Running battle with Detroit is led by Nader lieutenant Lowell Edge, thirty, a graduate of Hotchkiss, Yale, and the Harvard Law School. Among his soldiers are the young people below. Marc App, in his fourth year of the work-study program at Antioch College, does research at \$30 a week. Debra Seeger attends George Washington University, serves as a part-time volunteer clerk.



When an important bill is pending he is quite capable of playing rough, threatening to denounce a Representative to the press unless he goes along on a key amendment. "Does Ralph like power?" The Senate aide laughed at such a naive question. "Good gracious, yes. He loves it." Compared to other powerful men in Washington, Nader enjoys a rare freedom of action, flourishing as a sort of freebooter who is able to pick his targets at will, unconstrained by an electorate or any judgment but his own. "You will find sensitive people around town who are saying it's time to take a second look at this guy," says the Senate aide. "There are people who wonder whether he ought to be the final arbiter of safety in autos or in the food supply. Nader has something the companies don't have—credibility—especially with the press. There is a danger that people will be afraid to go up against him for that reason alone."

Regrets to David Susskind

By any measure, Nader's power is still growing. He remains absolute master of his own movement, but he is no longer alone. "When I think of all the lean years Ralph spent knocking on doors—" says Theodore Jacobs, who was Nader's classmate at both Princeton and Harvard Law School and now serves as a sort of chief of staff. Jacobs had just concluded a telephone call that, from his end, had consisted only of various expressions of regret. "That was Susskind. He's got a new show, he wants Ralph, and I had to turn him down. Ralph hates New York—all that traffic and pollution—and I can't get him up there unless it's imperative. I spend a lot of my time saying no. Among other problems, he's got two people on his tail right now who are writing full-length biographies. He has to husband his time. He's down for the *Today* show next Tuesday, but that's right here in town. If there is an important bill pending in committee and they need some input, he'll be there. He'll duck anything else for that."

Jacobs presides, loosely, over a modern suite of offices in downtown Washington housing the Center for the Study of Responsive Law. This is home base for the seven most senior of Nader's "raiders" and is one of the three organizations through which Nader now operates. The other two are located a few blocks away: the five-man Auto Safety Center and the Public Interest Research Group, staffed by twelve bright young graduates of top law schools, three of them women. In addition, there are the summertime student raiders, who this year will number about fifty, only one-quarter as many as last year. The program is being cut back, Jacobs explains, because the students are a mixed blessing, requiring a good deal of nursemaiding by the full-time staff. "But we still think it's useful for the regulatory agencies to see a fresh batch of faces wafting through."

One of the center's main functions is to handle a flood of crank calls. "No, I'm afraid Mr. Nader isn't here," says the young girl at the switchboard. "Can you tell me what it's about?" After a protracted conversation, she explains with a grin: "He said it was something so big he didn't dare put a word on paper. No name either, but still he wants to speak to Ralph." Nader drops by for a few minutes every day or so, and the other raiders emulate his casual example; by the switchboard, message boxes improvised out of brown paper are filled to overflowing with notices of calls never returned.

The Center for the Study of Responsive Law is tax-

literally true. In the seven years since he moved to Washington from Winsted, Connecticut—without funds and with a narrow base of expert knowledge in a single subject, automobile safety—Nader has created a flourishing nationwide movement, known as consumerism. He is chiefly responsible for the passage of at least six major laws, imposing new federal safety standards on automobiles, meat and poultry products, gas pipelines, coal mining, and radiation emissions from electronic devices. His investigations have led to a strenuous renovation at both the Federal Trade Commission and the Food and Drug Administration. And if the quality and convenience of American life do not seem dramatically improved after all that furious crusading, Nader can point to at least one quite tangible result. Last year, for the first time in nine years, traffic fatalities in the U.S. declined, to 55,300 from 56,400 in 1969. Unless the decline was a fluke (and officials at the Highway Traffic Safety Administration do not think it was), then for those 1,100 living Americans, whoever they may be, Nader can be said to have performed the ultimate public service.

More than ten Kremains

And yet, despite all this, it is easy to conclude after a conversation with Nader that he is not primarily interested in protecting consumers. The passion that rules in him—and he is a passionate man—is aimed at smashing utterly the target of his hatred, which is corporate power. He thinks, and says quite bluntly, that a great many corporate executives belong in prison—for defrauding the consumer with shoddy merchandise, poisoning the food supply with chemical additives, and willfully manufacturing unsafe products that will maim or kill the buyer. In his words, the law should “pierce the corporate veil” so that individual executives could be jailed when their companies misbehaved. He emphasizes that he is talking not just about “fly-by-night hucksters” but the top management of “blue-chip business firms.”

The lawyers who provide legal cover for all these criminal acts are, to Nader, nothing but “high-priced prostitutes.” As for the advertising profession, Nader recently served up the following indictment: “Madison Avenue is engaged in an epidemic campaign of marketing fraud. It has done more to subvert and destroy the market system in this country than ten Kremains ever dreamed of.” With the certainty of the visionary, Nader would sweep away that shattered market system and replace it by various eccentric devices of his own, such as a government rating system for every consumer product.

If, on the one hand, Nader has advanced the cause of consumer protection by his skillful marshaling of facts in support of specific reforms, he has, on the other hand, made reform more difficult through his habit of coating his facts with invective and assigning the worst possible motives to almost everybody but himself. By some peculiar logic of his own, he has cast the consumer and the corporation as bitter enemies, and he seems to think that no reform is worth its salt unless business greets it with a maximum of suspicion, hostility, and fear.

Nader is a strange apparition in the well-tailored world of the Washington lawyer. His suits hang awkwardly off his lanky frame, all of them apparently gray and cut about a half size too large. His big brown eyes in their deep

bony face, and a small, set chin give him, at thirty-seven, the look of an underfed waif.

Nobody has been able to explain the deep personal anger that erupts when Nader begins to speak about corporations. He himself simply denies that he is anti-business. “People who make that charge are escalating the abstraction,” he told an interviewer recently, his long hands clasped together, his brown eyes flashing. “They don’t dare face the issues.” But anger of some kind is unmistakably there. It seems to spring out of some profound alienation from the comfortable world he sees around him, and perhaps dates back to his early days in the conservative little town of Winsted, where he was something of an oddball, the son of a Lebanese immigrant, the boy who read the Congressional Record. He recalls proudly that his father, who kept a restaurant and assailed customers with his political views, “forecast the corporate take-over of the regulatory agencies back in the 1930’s.” Princeton and Harvard Law School trained Nader’s brilliant mind, but their social graces never touched his inner core. There seems something of the desert in him still, the ghost of some harsh prophet from his ancestral Lebanon.

According to one old friend, Nader has always had a conspiratorial view of the world, and when General Motors put private detectives on his trail in 1965 just before the publication of *Unsafe at Any Speed* that view was strongly reinforced. “He thought somebody was following him around,” says the friend, “and then, by gosh, somebody *was* following him around.” Apparently, at the time, Nader was convinced that G.M. planned to have him bumped off. He still moves about Washington in great secrecy from one rendezvous to the next.

The fifth branch of government

In his role as scourge of the regulatory agencies, Nader is aggressive and ill-mannered as a matter of calculated policy. “Rattle off a few facts so they will know you can’t be bluffed,” he tells his teams of young investigators setting out to interview government officials. “Get on the offensive and stay there.” Says Lowell Dodge, who runs Nader’s Auto Safety Center: “If somebody is messing up, Ralph wants to embarrass them.”

But Nader can be an engaging fellow when he chooses. He takes care to maintain good relations with Washington journalists—parceling out news tips with an even hand—and many of them pay him the ultimate tribute of calling him the best reporter they know. To these men he seems to serve as a sort of ghost of conscience past, a reminder of investigations not pursued and stables left uncleansed. Both reporters and professional politicians find him extremely useful. “Nader has become the fifth branch of government, if you count the press as fourth,” says a Senate aide who has worked with Nader often in drafting legislation. “He knows all the newspaper deadlines and how to get in touch with anybody any time. By his own hard work he has developed a network of sources in every arm of government. And believe me, no Senator turns down those calls from Ralph. He will say he’s got some stuff and it’s good, and the Senator can take the credit. Any afternoon he’s in town you still see him trudging along the corridors here with a stack of documents under his arm, keeping up his contacts.”

exempt, supported by well-known foundations, such as Field, Carnegie, and Stern, and by wealthy benefactors such as Midas muffler heir Gordon Sherman and Robert Townsend, author of *Up the Organization*. (Townsend gave \$150,000.) On a budget of \$300,000 a year, the center is able to pay its raiders a stipend of up to \$15,000 each. "A far cry from five years ago," says one of the veteran raiders, Harrison Wellford, thirty-one, "when Ralph was being trailed by G.M. gumshoes and we would meet at night at the Crystal City hamburger joint on Connecticut Avenue to compare notes. We'd work our heads off and then get gunned down by someone from Covington & Burling [a large Washington law firm] who had been on an issue for a corporate client for ten years."

Consumers Union is the biggest single donor to the Auto Safety Center, which operates on a slender budget of \$30,000 a year. The Public Interest Research Group, or PIRG as it is called, is Nader's own nonprofit law firm, and he pays all the bills out of his own pocket, including the stipends of \$4,500 a year to the twelve young lawyers. It is an irony that must warm Nader's heart that the money comes out of the \$270,000 he netted in the settlement of his lawsuit against G.M. for invasion of privacy. Since PIRG's budget is \$170,000 a year, Nader is obviously going through his windfall at an unsustainable clip.

Consciousness III doesn't give a damn

Nader calls his own organization "a big joke really, a drop in the bucket compared to the size of the problem." It is in his nature to conceive of the enemy as being enormous, pervasive, and exceedingly powerful. "How many public-interest lawyers would it take to oversee the Pentagon? A-hundred? Multiply that by the number of departments and agencies. This country needs 50,000 full-time citizens, including 10,000 public-interest lawyers. And I could get that many applicants if I had the money." Last month Nader began a campaign to raise \$750,000 from students in two states, Connecticut and Ohio, where the money would be used to set up Nader-like centers for investigating state and local government. Students in two other states, Oregon and Minnesota, have voted to donate \$3 each from their college activities funds to finance similar organizations. Nader hopes that one plan or another will spread across the country.

To the young, Nader is a hero of great stature. Thousands of students in law, medicine, engineering, and every other field want to "conform their careers and their ideals," as he puts it, by going to work for him. They are the mass base of his movement, and he is able to pick and choose among them for his staff. (They say on campus that getting a job with Nader is "tougher than getting into Yale Law School.") And yet this appeal is in many ways hard to fathom. Nader has no use at all for the "counterculture," and he abhors drugs. "There's a conflict between living life on a level of feeling on the one hand and Ralph's product ethic on the other," admits Lowell Dodge. "To produce, to have an impact—that's what Ralph admires. Consciousness III doesn't give a damn about the FTC. Ralph does." Dodge thinks Nader is growing ever stronger on campus as revolutionary ideas begin to fade. "There's more interest in change *within* the system, and Ralph is the most effective example of an agent for change."

Nader hectors students mercilessly about their public duties, about their "anemic imaginations," about their "thousands of hours on the beach or playing cards." And

Notches on Nader's Gun

THE AUTOMOBILE. An auto-safety enthusiast while at Princeton and Harvard Law School, Nader went to Washington in 1964 to work on his pet subject as an aide to Daniel Patrick Moynihan, then Assistant Secretary of Labor, who happened to be interested in a field far removed from his assigned duties. Bored with office routine, Nader quit the following year and wrote *Unsafe at Any Speed* in ten weeks. During the Senate hearings on auto safety, he came out a clear winner in a much-publicized confrontation with James Roche, president (now chairman) of General Motors. The publicity assured passage of the Motor Vehicle Safety Act of 1966, establishing a government agency to set mandatory vehicle-safety standards, of which there are now thirty-four.

UNSANITARY MEAT. For his second campaign, Nader found ready-made evidence in a study done by the Department of Agriculture of state-regulated packing plants, considered to be in intrastate commerce and so not covered by federal law. Many of the plants were filthy and rodent infested, but apparently nobody of any consequence had ever bothered to read the study's report. Nader did. The result was the Wholesome Meat Act of 1967, giving states the option of bringing their inspection programs up to federal standards or having them supplanted by federal inspection. In 1968 the provisions of the act were applied to poultry products.

FEDERAL TRADE COMMISSION. A team of student raiders assigned by Nader to the FTC in 1968 found one official at the agency literally asleep on the job, others frequenting nearby saloons during working hours, and still others who seldom bothered to come to work at all. President Nixon commissioned a study of the FTC by an American Bar Association panel, which confirmed the major findings of the Nader report: low morale, lack of planning, preoccupation with trivial cases and timidity in pursuing important ones. Outcome: new faces and new vigor at the FTC.

FOOD AND DRUG ADMINISTRATION. Student raiders studying the FDA in the summer of 1969 compiled evidence on two important regulatory blunders: approval of cyclamates and monosodium glutamate for unrestricted use in the food supply. Alerted by the raiders, the news media covered both stories with unrestrained enthusiasm until the FDA banned cyclamates from soft drinks and manufacturers voluntarily stopped putting monosodium glutamate in baby food. In December, President Nixon fired the three top officials at the FDA.

OTHER DOINGS. Legislation inspired by Nader: Natural Gas Pipeline Safety Act (1968), Radiation Control for Health and Safety Act (1968), Coal Mine Health and Safety Act (1969), Comprehensive Occupational Safety and Health Act (1970). Published reports: *The Chemical Feast* (on the FDA); *The Interstate Commerce Omission* (it recommends abolishing the ICC); *Vanishing Air* (a critical look at air-pollution-control laws and industry compliance); *What To Do With Your Bad Car* ("an action manual for lemon owners"); *One Life—One Physician* (on the medical profession). Reports in progress on: the Department of Agriculture, nursing homes, water pollution, Du Pont, First National City Bank of New York, the Washington law firm of Covington & Burling, land-use policies in California, supermarkets, and "brown lung" disease in the textile industry.

Minnesota is moving to a better state!

are rated second best in a recent study of the Quality of Life in the 50 states and we think we should be better. We're on the move to improve. We want the best for people—the best education, the best living conditions, the best opportunity, the best of everything. They're about the most productive people anywhere. Which means the best business climate for industry, too.

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Minnesota

Department of Economic Development
Industrial Development Division Suite: C-5
57 West Seventh St., St. Paul, Minn. 55102

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Instant Manpower—How 26 Voc-Tech schools provide labor for your needs.

Minnesota Tax Guide—How Minnesota collects and allocates the tax dollar.

STATE _____ ZIP _____

The Passion That Rules Ralph Nader *continued*

want a one-room office where we can have our staff within the center that will serve as a liaison between us and you. And we're going to develop certain conditions of our continuing patronage on a mass basis. It might take the form of banning detergents with phosphates, improving service under a warranty, or holding down prices." Nader's product-rating system, including a telephone data bank for easy reference, would force manufacturers, he says, to abandon their present policy of "severe protective imitation" for one of "competition on price and quality." (Nobody has been able to explain just how such a system would make the millions of decisions the market makes now, many of them involving subjective judgments as to quality or value.)

While otherwise holding business in low esteem, Nader seems to have a blind faith in instant technology, insisting that if corporations are given tough enough deadlines, on antipollution devices or on proving the safety of food additives, they will somehow manage to comply. While it is true that some corporations plead ignorance as a convenient alibi for doing nothing about pollution, it is also true that feasible systems have not yet been developed to control a number of crucial pollutants, including sulphur dioxide. On the question of food additives, James Grant, deputy commissioner of the Food and Drug Administration, says, "Scientific advances solve problems but also raise new questions. We can prove that certain chemicals are unsafe, but we can never prove, once and for all, that *anything* in the food supply is safe. We frequently are obliged to make absolute decisions on the basis of partial knowledge. If I have one criticism to level at the consumer advocates, it's that they're unwilling to take scientific uncertainty into account."

Does Sears, Roebuck cheat?

Economics, clearly, is not Nader's strong suit. He seems to think of figures as weapons, to be tossed around for maximum effect. To cite one of his current favorite examples of business fraud, he says that the orange-juice industry is watering its product by 10 percent, and thus bilking the public out of \$150 million a year. And he adds: "You may wish to compare that with what bank robbers took last year in their second most successful performance to date: \$8 million." Nader says he arrived at the 10 percent figure on the basis of "insider information." He applied it to total sales of the citrus industry and, lo, another "statistic" on business fraud. Even if the industry were watering, which it strenuously denies, it does not follow that the public is being gypped out of \$150 million. On a watering job of that scale, the price would reflect the water content, and if water were eliminated the price would have to go up.

Another of Nader's current favorite targets is Sears, Roebuck & Co. "Nobody thinks Sears, Roebuck cheats people. But they charge interest from the date the sales contract is signed rather than from the date of delivery—a few pennies, millions of times a year." But Sears no longer has ownership or use of the merchandise once the contract is signed, and could not, for example, apply any price increase that might subsequently be decided upon. The contract is perfectly open and aboveboard and should be considered in the context of the total transaction, price versus values received.

Nader quotes and endorses an estimate by Senator Philip

The Passion That Rules

Ralph Nader *continued from page 147*

they seem to love it. "Suppose students would engage in one of history's greatest acts of sacrifice and go without Coke and tobacco and alcohol, on which they spend \$250 each a year?" he asked a student audience at Town Hall in New York. "They could develop the most powerful lobby in the country. Write to us! We'll tell you how to do it." Hands dived for pens as he called out his address in Washington.

It is possible to question, nevertheless, whether this enthusiasm would survive a close association with Nader. Although most of the members of his full-time staff plan to stay in public-interest legal work, many of them talk with enthusiasm about the day when they will be leaving Nader. One reason, of course, is money. "On \$4,500 a year, it's tough," says Christopher White, one of the young lawyers at the Public Interest Research Group. And then these young people are blither spirits than Nader and have a spontaneity and graciousness he lacks. Although they refrain from criticizing him directly, the picture that emerges is of a boss at least as dictatorial as any they would find in a private law firm. "The emphasis is on production," one of them says. "Ralph thinks that if a brief is 90 percent right, it's a waste of time to polish it." Nader tells them that a work week of 100 hours is "about right." He lectures them about smoking, refuses to ride in their Volkswagens, and never has time to waste socializing. Lowell Dodge got a call from Nader last Christmas Eve, but only because Nader had a question to ask about work in progress.

The warmth and empathy so important to the young are not to be found in any relationship with Nader. Robert Townsend's daughter Claire, a pretty blonde student at Princeton, says with unblushing candor that she became a raider last summer partly because "I had a terrible crush on Ralph. All the girls have crushes on Ralph." But Nader apparently never has crushes on them. He still lives monk-like in a rented room. His most pronounced concession to cravings of the flesh comes in appeasing a voracious although picky appetite. He is leery of most meats but often tops off a meal with two desserts. It is somehow typical of the man that when the soon-to-be-famous blonde detective tried to pick him up, back during his fight with G.M., she found him in a supermarket buying a package of cookies.

Trying to find free enterprise

What young people admire in Nader is a dark and uncompromising idealism, coupled with a system of New Left economics that he is able to shore up with all sorts of impressive-sounding facts. They think he has got the goods on "the system." And he is completely free of any humdrum sense of proportion. A conversation with Nader makes the consumer society sound as gory as a battlefield: motorists "skewered like shish kebab on non-collapsible steering wheels"; babies burned to death by flammable fabrics improperly labeled; a little girl decapitated because a glove-compartment door popped open in a low-speed collision; "thousands of people poisoned and killed every year through the irresponsible use of pesticides and chemicals."

The corporate criminals responsible for this slaughter always go unpunished. "If we were as lenient toward individual crime as we are toward big-business crime we would

tions." As for the market economy, it is rapidly being destroyed by the same corporate executives who are always "extolling it at stockholder meetings."

"Where is the free-enterprise system?" Nader asks, a sly smile lighting up his face. "I'm trying to find it. Is it the oil oligopoly, protected by import quotas? The shared monopolies in consumer products? The securities market, that bastion of capitalism operating on fixed commissions and now provided with socialized insurance? They call me a radical for trying to restore power to the consumer, but businessmen are the true radicals in this country. They are taking us deeper and deeper into corporate socialism—corporate power using government power to protect it from competition."

Down to zero profits

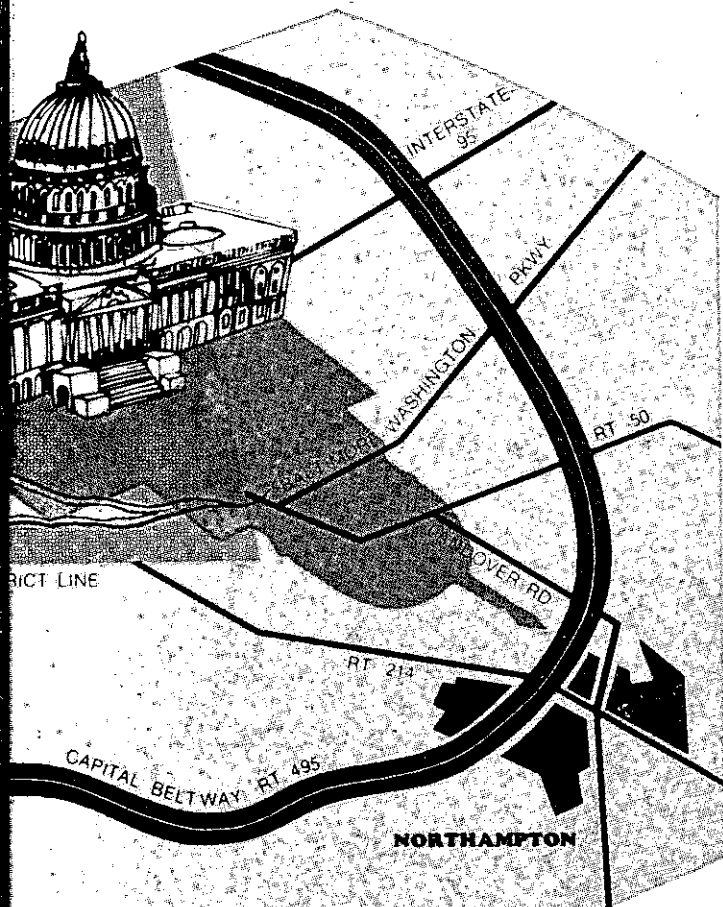
Nader is not exactly the first social critic to be astonished at the functions—and malfunctions—of a market economy, and to render them in overtones of darkest evil. But sinister tales of this sort, while they go down well enough with college crowds, throw no light at all on the issues Nader claims to want to face. It is true enough that unless consumers themselves are concerned about product safety, corporations have no particular bias in its favor. This is due, however, not to corporate depravity but rather to the economics of the case: an extra margin of safety is an invisible benefit that usually increases costs. When products, automobiles for example, are too complicated for consumers to make independent judgments as to safety, government must usually set standards if there are to be any—and it is a measure not just of business power but also of consumer indifference that safety standards for autos came so late.

Government must also counter the ceaseless efforts of corporations to escape from the rigors of competition through the acquisition of monopoly power, through tariff protection, import quotas, and the like. Granted that government hasn't done a very good job of this. All the same, most corporate executives, obliged to immerse themselves daily in what feels very much like competition, would be surprised to learn from Nader how free of it they are supposed to have become.

Given Nader's own diagnosis, it might be thought that he has been spending his time battling restraints on trade, but this is far from the case. He has instead been devoting his considerable ingenuity to devising new schemes for regulating and "popularizing" business, by such means as a federal charter for all corporations, "which would be like a constitution for a country," publication of corporate tax returns, and the election of public members to corporate boards. He would require an attack on pollution "with maximum use of known technology and down to zero profits."

Nader denies any desire to take the country into socialism, and in this he is apparently sincere. One of his raiders, Mark Green, told the *New York Times* recently that when Nader thinks of socialism "he doesn't think of Lenin but of Paul Rand Dixon," former Chairman of the FTC and, in Nader's mind, the quintessential bureaucrat. Yet Nader seems never to have grasped that when he talks about operating on "zero profits" he is talking not about a market economy but about a confiscatory, state-imposed system that would inevitably bring in train a host of other controls.

In his "consumer democracy" of the future, as he outlines it, everybody could order business around. Tightly controlled from above by the federal government, business would be policed at the local level by what would amount to consumer



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The Passion That Rules

Ralph Nader *continued*

costs the consumer some \$200 billion a year, "or 25 percent of all personal income." That utterly fantastic figure is also more than four times as large as all corporate profits in 1970. For a clipping of that magnitude to be possible, even theoretically, it would have to run as a sort of inflationary factor through the whole economy—wages as well as prices—and thus the argument becomes something of a wash, but a grossly misleading one all the same.

Like reformers before him, Nader is extremely reluctant to admit that any progress at all has been made in any area of consumer protection, even where he has helped write new legislation. "Very little progress, really," he sums it up. "It's a push-and-shove situation." He still refers to the nation's meat supply as "often diseased or putrescent, contaminated by rodent hairs and other assorted debris, its true condition disguised by chemical additives." This is the identical language he used three years ago to arouse Congress and propel passage of the Wholesale Meat Act. Since then the Department of Agriculture has declared 289 packing plants "potentially hazardous to human health," and has told state authorities to clean them up or shut them down. The department says "much remains to be done" to eliminate unsanitary conditions—but perhaps not as much as Nader seems to think. Similarly, despite the thirty-four automobile safety standards enforced by law and 701 recall campaigns, Nader says that "the changes are purely cosmetic."

Shock waves at the agencies

The most impressive documents to come out of the Nader movement are the reports on the regulatory agencies. In most respects they are detailed and thoughtful, written with surprising skill by various groups of amateurs working under Nader's direction. And they have sent shock waves through Washington's bureaucracy. Since their publication, agency awareness of the public interest has greatly increased, and a certain distance has crept into the previously cozy relations between the regulators and the regulated. That distance, however, is still not nearly great enough to please Nader, who wants industry policed with eternal suspicion. "Sharpness" is one word he uses to describe the proper attitude. Jail terms for executives, he says, would be far more effective than the voluntary compliance on which the agencies now mostly rely. "Jail is a great stigma to a businessman, and even a short sentence is a real deterrent," explains James Turner, who wrote the FDA report. "You would get maximum compliance with a minimum of prosecutions."

That may well be so. But in the atmosphere of hostility that would result, regulation might actually be less effective than at present. The agencies can now make sweeping judgments—that a rate is "discriminatory" or a trade practice "deceptive"—on the basis of a simple hearing. "If criminal penalties were involved, our statutes would be interpreted in a much less flexible way," says Robert Pitofsky, the new head of FTC's Bureau of Consumer Protection. Most regulatory matters are exceedingly complex, and the agencies have trusted the industries concerned to furnish the data. If this system were replaced by a program of independent government research on countless topics, the sums expended could

An open letter to marketing men no new worlds to conquer

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The Passion That Rules

Ralph Nader *continued.*

with an ugly, persistent confrontation, where the two sides
try to shout each other. We'd be pitting a tiny govern-
ment agency against the worldwide auto industry."

At the FDA, a new leadership is attempting to stay on
cordial terms with the \$125-billion food industry while
attacking the two key problems documented in great detail
in the Nader report, *The Chemical Feast*. First, the FDA is
undertaking a comprehensive review of the hundreds of chem-
icals added to the food supply as preservatives, colorings, or
flavorings. "None of these chemicals, perhaps, has been put
to the most rigorous testing that present-day science could
muster," admits Deputy Commissioner Grant, one of the
new men at the agency. Second, the FDA has also acted on
mounting evidence that many prepared foods are deficient in
nutritional values, and is now setting guidelines for their
fortification with vitamins and minerals. "In many ways the
FDA was a bar to progress," says Grant, "and we are
attempting to turn that around."

Confessional for sinners

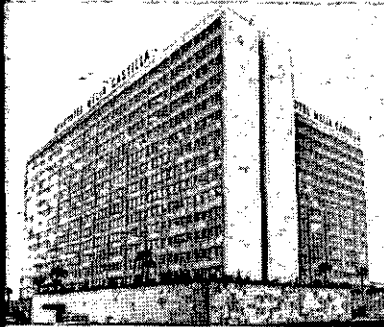
Among the agencies Nader has investigated, the FTC
comes closest to the tough, pro-consumer point of view that
he is pushing for. Under its new leadership the FTC has filed
a flurry of complaints on deceptive advertising, and in a
number of these cases it has gone far beyond the traditional
cease-and-desist order (known around the FTC as "go and
sin no more"). To the dismay of the advertising profession,
the FTC now seeks what it calls "affirmative disclosure"—
that is, an admission in future advertising, for a specific per-
iod, that previous ads were deceptive. Howard Bell, presi-
dent of the American Advertising Federation, says this
amounts to "public flogging."

"Somebody is going to take us to court on affirmative dis-
closure, and they should," Pitofsky cheerfully admits. "It
is a substantial expansion of FTC power." The FTC is also
insisting that claims be based on evidence. "We're not after
something that 'tastes better,'" Pitofsky says. "That's just
puffery. But if you say it's twice as fast or 50 percent
stronger, we will take that to mean faster or stronger than
your competitor's product, and it better be so."

By swinging to "a fairly stiff enforcement of the law," as
Pitofsky puts it, the FTC hopes to encourage self-regulation
by industry. "Voluntary compliance comes when companies
see that they are better off cleaning house themselves than
letting government do it for them." And that is what seems
to be happening. Warning of "the regulatory tidal wave
which threatens to envelop us," the American Advertising
Federation is trying to establish a National Advertising
Review Board, which would set standards for ads, seek vol-
untary compliance with the standards, and refer ads it finds
deceptive to the FTC for action.

In all this unaccustomed bustle, the agencies are, of
course, just doing what they were supposed to be doing all
along. To say only that, however, is to ignore the extraordi-
nary difficulty of the regulatory function when there is no
counterpressure to the steady, case-by-case intervention of
skilled lawyers with specific and valuable corporate interests
to protect. Congress, like the agencies, responds to the pres-
sures applied—it's a case of "who's banging on the door," in
Nader's words.

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The Passion That Rules

Ralph Nader *continued*

enough," says the FDA's Grant, "the overwhelming majority of the food industry believes that it is better off with a strong FDA, because all get balanced treatment." It is Nader's accomplishment, and no small one, that he has given the agencies the other constituency they need, the public. "Until we came along," says Nader, "the people at the agencies had forgotten what citizens looked like."

Nader will bend all of his lobbying skill this year to persuade Congress to pass a bill that would give the consumer permanent representation before regulatory bodies. The consumer agency to be established by the bill would, in fact, attempt to do just the sort of thing that Nader is doing now, but with the help of government funds and powers. A number of other consumer bills have broad support this year, including regulation of warranties and power for the FTC to seek preliminary injunctions against deceptive advertising. But Nader says, "I'd trade them all for the consumer agency."

The problem of maintaining clout

But can a movement like consumerism, powerful and yet amorphous, really be institutionalized? Certainly the passion and craft of a Nader cannot be. Nor would the director of a consumer agency enjoy Nader's complete freedom of action. A Senate aide who helped draft the bill predicts that the new office might "have its time in the sun, like the Peace Corps or OEO. Then it will carve out a rather cautious domain of its own and become part of the bureaucracy."

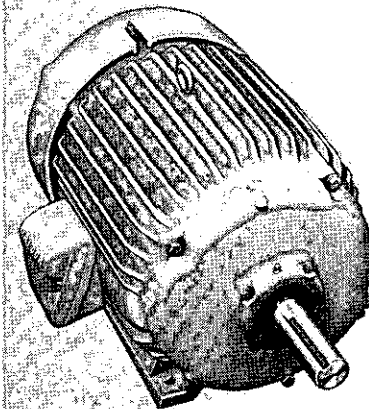
That being so, there will still be opportunities for Nader, always provided that he can stay in the sun himself. His support is volatile, a matter of vague tides of public opinion. "His problem is maintaining clout," says Douglas Toms, the Traffic Safety Administrator. "He has a strange kind of constituency, people with a burr under their saddle for one reason or another. He has to constantly find vehicles to keep him in the public eye." Financing will continue to be a problem. Nader himself is well aware of all these difficulties. He says that a basic error of reform movements is expecting to succeed. "You will never succeed. All you're trying to do is reduce problems to the level of tolerability."

Nader's answer to that question about the presidency is this: "I find that I am less and less interested in who is going to become President. A far more interesting question is, who's going to be the next president of General Motors?" Despite any such disclaimers, it is easy to imagine the movement going political and Nader running in some future year as, say, a candidate for the U.S. Senate from Connecticut. Nader might do well in politics, as a sort of latter-day Estes Kefauver. A recent Harris survey revealed that 69 percent of the people think "it's good to have critics like Nader to keep industry on its toes," while only 5 percent think he is "a troublemaker who is against the free enterprise system." This is the sort of public response that most politicians, including Presidents, yearn for in vain.

Judging Nader on the basis of the specific reforms he has brought about, it would be hard to disagree with this public verdict. There has been some cost, however, and this cannot be measured. He has visited his own suspicions and fears upon a whole society, and in the end his hyperbole may prove to be a dangerous weapon. But this year at least, the public apparently expects its crusaders to be twice as fast and 50

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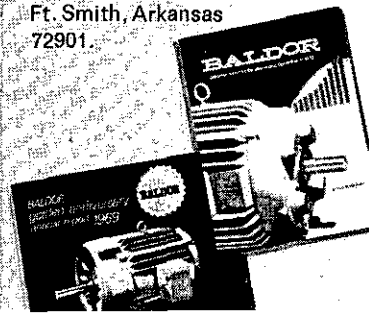


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Let's Stop The Nonsense

Address by

Gilbert W. Fitzhugh

Chairman of the Board

Metropolitan Life Insurance Company

Before the

Commonwealth Club of California

San Francisco

February 26, 1971

Highlights From the Text

"Somehow, individually and collectively, we must learn not to be seduced by slogans, but to take the time, patience, trouble, and hard thinking necessary to consider each proposal on its merits, . . ."

* * *

"... our two old-fashioned virtues of hard work and thrift emerge as the heroes of progress made and progress to come. And no amount of rhetoric or thunder on the left or the right can change that immutable fact."

* * *

"It appears to me that, in a sense, we should become more and more a 'SELF-ish' country — more self-discipline, self-determination, self-control, and self-responsibility."

* * *

"... any program of welfare or income maintenance should be so designed that, wherever possible, it is understood to be a means of temporary relief rather than a way of life."

* * *

"Juggling of short-term advantages for some segments of the population, often at the expense of others, is not likely to produce the best long-run results for all."

* * *

"The public in general simply must be educated to the fact that we just cannot have unlimited amounts of everything all at the same time."

* * *

"I cannot believe that if people really understood inflation to be the tax that it so surely is, they would feel any differently toward it than they do toward other more obvious forms of taxation."

* * *

"There are those among us who would have us forget our heritage; forget that, with all our faults, we have accomplished more for more people than any other nation in the history of mankind."

* * *

"Our biggest task today is to not let ourselves be conned into tossing aside all the attributes that have made us great in favor of new slogans and pressures for instant paradise."

Let's Stop The Nonsense

It is a privilege and a pleasure to be here with you today. In considering what subjects might be of most interest to you, I found myself with a staggering array of issues demanding attention. As all of them involve people and their problems, I was tempted to title my talk "I'm Tired of the Human Race," or "A Plague on All Our Houses."

It seemed to me that many of our problems are man-made, and arise because so many of us have turned our backs on the time-tested virtues that made our country great, in favor of slogans and catch-phrases that seem to promise instant solutions to long-standing problems. There's nothing new in trying to avoid choosing a path that involves personal difficulties or inconvenience by adopting a nice-sounding slogan. What is new is the frightening escalation in the number and extent of these self-deceptions, and the assumption that change and innovation automatically bring improvement—without considering what the real and lasting results of such change might be.

Seduced by Slogans

In the process of devising slogans, words are twisted out of all resemblance to their real meaning. We are ruled by semantics. The test seems to be "does it sound good?"—not "does it result in a better answer or an improved way of life?" Consider words and phrases like relevant, meaningful, doing your thing, telling it like it is, consumerism, truth-in-packaging, permissiveness, academic freedom, The Establishment, job action (or rather inaction), Women's Lib, New Economics, full employment, full employment surplus, revenue-sharing, right-to-work, right-to-health, guaranteed minimum income, power to the people, trade-off between inflation and unemployment, or even words like liberal or conservative, Republican or Democrat. Depending on each person's predilection, each of these phrases denotes something "good" or something "bad." But just think how much of both good and bad has been put forward under the banner of any one of them. How close an analysis will they stand?

Somehow, individually and collectively, we must learn not to be seduced by slogans, but to take the time, patience, trouble, and hard thinking necessary to consider each proposal on its merits, not on whatever high-sounding slogan it is clothed in. It is sobering to think of what Hitler and Stalin almost accomplished by exploiting the technique of The Big Lie—repeat it often enough and loud enough and it begins to have an aura of truth. Isn't it time to stop kidding ourselves? Let's stop the nonsense.

Obviously, change is and should be the order of the day. Many things in our society need changing. But let's be sure a change is an improvement—not just for a few people today, but for the nation as a whole over the long pull. Priorities must and do change. The ways

we do things change. But we will lose our way if we don't hang on to some basic principles that don't change.

The fundamentals I'm talking about can be summed up in two of the most old-fashioned virtues of all—hard work and thrift. No sage has yet discovered how a country can have more unless it actually produces more. Just creating more money or consumer credit, or paying more money for the same work (not to mention less work), cannot produce more goods or services—nor more environmental or ecological improvements. It merely raises the price of what we're already producing.

Old-Fashioned Virtues

More of what we all want—material goods, improved air and water, or whatever—can only be produced by more work, harder work, or more efficient work. Efficiency, in turn, can be produced by smarter and more conscientious workers, better management, and more labor-saving machinery. More labor-saving machinery, in turn, comes primarily from more inventions and ingenuity and more invested capital made possible by more savings. So our two old-fashioned virtues of hard work and thrift emerge as the heroes of progress made and progress to come. And no amount of rhetoric or thunder on the left or the right can change that immutable fact.

Why, then, is it so difficult to persuade people of such a fact? Simply because people are people. Hard work and thrift obviously involve —hard work and thrift. I guess none of us would mind getting everything we want without such-unpleasant preliminaries. So we become susceptible to the siren songs of inflation, however camouflaged, overextension of credit, and let "George" (usually the Government) do

it. Unfortunately, "we" means all of us—businessmen as well as unions, workers as well as politicians. In other words, you and me. And the nonsense won't be stopped until you and I decide we really want to stop it—every last one of us.

Perhaps it is because I am in the insurance business, where individual responsibility is so important, that the lessening of the role and responsibility of the individual is high on my list of concerns. It appears to me that, in a sense, we should become more and more a "SELF-ish" country—more self-discipline, self-determination, self-control, and self-responsibility. (I'm sure you recognize my twisting of the meaning of the simple word "selfish" as an attempt to be "with it" with the current generation of word maulers. If you can't lick 'em, join 'em.)

I am apprehensive about the tendency to view one's company, one's community, one's state, or one's country as the source of solutions to problems. Solving our problems will take time and work—and lots of both by each one of us, individually as well as collectively—and much more of each than our current crop of instant problem-solvers is willing to allocate to serious issues. The whole idea that people want immediate satisfaction, immediate gratification, immediate solutions, makes it imperative, in my view, that an aggressive campaign be undertaken to try and persuade them to view problems in the perspective of time and to help them recognize that, by the very nature of things, some problems cannot be solved quickly. I have often felt that too many businessmen concentrate too much on short-term results, and I'm afraid this failing afflicts politicians, too, as they constantly bear in mind the next election.

There is something we can do immediately, however, and that is to start moving in the right direction.

Educating the Young

Perhaps we should begin at the beginning, that is, with the youngest members of our society and our educational system. We have a very serious responsibility here, and we must not be overwhelmed by the noise of some young people, or even the restrained dissatisfaction of many others. On the subject of strident voices, I pause a moment to suggest that it stands to reason that decision-making in this country, or in any other country for that matter, is not going to be apologetically turned over to students amid deep bows acknowledging their singular ability to discover truth. A lowering of the decibel level would probably be helpful to the young people themselves as well as to everyone else. There seems to be a beginning of understanding of this fact among more and more students. In fact, there is considerable evidence that most students need and want understanding, but firm, guidance. In many cases they seem to be ahead of the faculty and administrators in this basic understanding. Let's do what we can to further mutual understanding with both faculty and students.

This means we must live up to our own obligations to reach the young with the guidance and example they deserve. One of our jobs, not necessarily as businessmen but as adults, is to help young people establish some continuity in their thinking—in a sense, a continuity of perception. They look behind them and focus not on the firm foundation that they have inherited, but on its flaws. They look ahead and think they see what they want to achieve without really knowing how. But there is no continuity. Somehow, they fail to recognize the

bridge connecting what is behind with what is ahead—the bridge of today, upon which they stand unencumbered, enjoying the luxury and the awesome responsibility of choosing alternatives. It is our responsibility to help them choose wisely. These young people are not dull. It is not that they are unable to understand—so the message must have foundered in transmission.

Two areas need special attention. One is the college and university campus where, as already noted, there are signs of improvement. The second is the serious social and family problems of children brought up in broken homes, in families who have become discouraged with today's society, and children who have dropped out of school at an early age. These problems, which seem more intractable than those of the colleges, indicate the need for reaching further and further down the age ladder, with specific means of helping young people cope with the rapidly changing and sometimes dangerous external influences to which they are exposed today.

While the family, the community and others have responsibilities in these areas, the whole educational establishment needs re-orientation to its principal function—the development and improvement of the individual child, the student. Too much time and effort in the schools is being expended nowadays on what are really adult problems. These problems require attention, too, but ways must be found by which their solutions are not obtained at the expense of children's school time, at the expense of order in the schools, or at the expense of the quality of education being dispensed.

Benefiting From Innovation

Our economic system cannot afford to channel ever-increasing amounts of money into an edu-

cational structure that does not provide a proper return. The nation's school systems could benefit from innovation in both management and curricula. Business can help bring the fruits of innovation to both the physical plant, its layout and use, and to the educational process itself. It can put time and effort into studying and recommending quality improvements, from cost accounting on through the relationship between the curriculum and its actual application to the world of earning a living.

A solid understanding between businessmen and the educators regarding what children are taught and what they need to be taught would produce countless benefits. I have been advocating for many years a better liaison between the business community and the academic community. We have made some progress in this area, but we still have a long way to go.

The aim of both businessmen and the public in general should be to work through the schools and in other ways to help children understand the role they can play, to generate an interest on their part for self-improvement, and to instill in them the desire to become a part of productive society and the belief that they will have a fair chance to compete therein, regardless of race, creed, color, sex, or background. Improving the future prospects of children is the sure way to break the dependency cycle.

Perhaps the time is at hand for a re-examination of the whole concept of public education. Any way in which the spirit of competitive enterprise—the opportunity for choice—could be infused into the educational system would seem worth careful study, including what adaptations might be feasible in both the school and the tax systems to develop a flexible public-private system affording more freedom of choice to parents than exists today. Other pos-

sibilities deserving consideration are more flexible school calendars, more flexible daily schedules, and more efficient use of school and playground facilities by means such as two "shifts" of classes. There are also the very important areas of developing more economical paraprofessional assistants on the teaching staff, and of contracting out to private industry such nonteaching services as the provision of school lunches.

Objectivity and compromise are hard to come by in this area of strongly vested interests and subjective attitudes. But we must have both of these ingredients no matter how long it takes or how great are the obstacles to be overcome.

Poverty, Welfare, and Jobs

Another whole complex of problems in which objectivity is badly needed is that of providing assistance to those unable to help themselves—assistance which does not at the same time aggravate the problem itself and cause still other problems. The war on poverty is a just war but, like any other, its success depends on competent leadership, workable strategy, and a knowledge of where we are going and what we are trying to do. It cannot be waged by pious words, self-righteous critics, a search for scapegoats, and endless confrontation.

First, we have to get it squared away in our minds that even though their numbers are large, it is not the so-called "irreversibles" on welfare who pose the tangled problems. The old, the blind, the permanently disabled can be cared for fairly simply to the extent we as a people are prepared to pay the cost. Our real problems are those who could become productive members of society, or who are dependents of those who could—the family-type recipients who are ballooning in number and

causing the persistence of the welfare cycle, which is not only economically wasteful but corrosive to the human spirit of those involved. Second, any program of welfare or income maintenance should be so designed that, wherever possible, it is understood to be a means of temporary relief rather than a way of life. To this end, probably the most important factor to be considered is a tie-in with job training programs and employment placement activities. Naturally, this would involve building into the welfare structure incentives to work and earn—and in the process to enjoy the feeling of responsibility and self-reliance which is the fruit of labor.

Of course, the jobs must be there, and the jobs must be respected for what they are rather than tossed aside as not meaningful because a path of instant ascendancy is not immediately apparent. Isn't any work meaningful if for no other reason than that it's an opportunity to earn a living and add to the productivity of our nation? Is it more "meaningful" to remain on relief or welfare?

The important thing is that, just as equal opportunity for education must be available to all our children, so must equal opportunity for employment and advancement be afforded all our adult citizens, again regardless of race, creed, color, sex, or background. And all of us must be sure our own sense of values is such that we respect the dignity and worth of each individual performing useful work, whether it be white collar or blue collar, manual, clerical, or executive.

What each individual does with his opportunities will, as always, depend upon his individual initiative and talents, and upon the other factors which make us all individual persons and personalities, and different from each other. A

reversal of the tendency to classify individual human beings into groups, types, or classes, and a rekindling of each individual's old-fashioned pride in his own workmanship and desire for personal excellence, could have an electrifying effect.

Economic Education Badly Needed

I wonder sometimes how many people really understand these things. It is not necessary to be a professional economist to understand that as a nation we cannot consume unless we produce, and we cannot produce unless the means of production are available, or to understand that these means will not be available unless someone has saved the money to provide them. Why then does it not follow that we must work and save, and keep credit within bounds, if we are to achieve sound long-term economic growth in this country? The whole idea of enjoy now and pay later can heap "credit" burdens on many people who would be just as well off, or perhaps better off at certain times, without them.

These facts of life must be made crystal clear to the American people.

The educators have their work cut out for them, not only in the schools but also among the population in general, and in their advice to those in government.

Government policymakers need to exercise extreme care in assessing the long-range impacts of their decisions on the country as a whole. Juggling of short-term advantages for some segments of the population, often at the expense of others, is not likely to produce the best long-run results for all.

Business must temper any all-consuming absorption with what the next balance sheet is going to show, and must do its part not to

encourage overextension of either business or consumer debt.

Workers should come to a realization of where their long-range interests really lie.

The public in general simply must be educated to the fact that we just cannot have unlimited amounts of everything all at the same time.

And as far as our elderly citizens are concerned, the biggest favor we can do them is to preserve the buying power of their pension dollars.

Now I'm right on target to zero in on the area where the American people need education today more than ever—the problem of inflation. I cannot believe that if people really understood inflation to be the tax that it so surely is, they would feel any differently toward it than they do toward other more obvious forms of taxation. No matter how much complaining goes on, we as a nation do not understand this, or it wouldn't be tolerated. Unfortunately, many people hope that they can beat the other fellow by getting on the bandwagon first. Of course, the other fellow then wants his, and we're off to the races.

Those of us who think we do have the facts had better sharpen our efforts to promote a more widespread understanding of the dangers of inflation, and muster support for the measures needed to curb it. If we don't, the costs of our plans for such achievements as adequate housing, improved health and medical care, viable municipalities, and improved environment, and a host of other hopes, will become so high that our plans and hopes will become mere exercises in futility.

Coping With Inflation

Our economy achieves sound growth through productivity gains in both the private and

public sectors. That in turn requires tax systems that enhance incentives for individuals and businesses to save and to invest, thus generating increased government revenues from rising real incomes received by workers, investors, and businesses. Besides providing a healthier and stronger base from which to draw government revenues, such a soundly expanding noninflationary economy is more likely to provide the optimum in lasting employment opportunities, as well as rising standards of living for all.

The private sector should help government achieve sound fiscal policies by encouraging legislators to adopt and implement them. It should also support sound monetary policies to reinforce government fiscal policy in the fight against inflationary forces. It is particularly important that these policies be maintained even after they begin to hurt. Everyone gives lip service to stopping inflation, but many will ask for so-called relief at the very time restraint needs to be maintained a while longer to have lasting effect.

It should go without saying that labor and businessmen have to exercise moderation in wage and price behavior, including pensions, profits, interest rates, and all other cost factors, to help us as a nation ease down from the excessive increases of recent years. Otherwise, the latter will eventually bring about a serious curtailment of economic growth and, as a consequence, a significant rise in unemployment. It cannot be too strongly emphasized that such unemployment would probably be much greater than any temporary unemployment involved in following sound policies. And the latter form of unemployment, such as we have today, is not so likely to be an outgrowth of moderating fiscal-monetary policy as such, as the result of rigidities in the wage-price structure. It is important that this be clearly understood by all.

Wage raises in excess of the trend in productivity bring undue pressures upon costs and price levels. The long-range solution is obviously to reduce the existing rigidities. This step is most important and very difficult. If this means restoring more equilibrium in the bargaining power of employers and unions, changing the scope of the bargaining units, outlawing restrictive hiring, make-work, and monopolistic practices by either employers or unions, and revising other laws involving employee relations and costs—particularly in the construction and transportation industries, and in public employee bargaining—then so be it. The Nixon Administration has made it plain that it understands the special problems in the construction and transportation industries, and the national construction unions seem to recognize them also. Let's hope that the future is brighter in these areas.

In a nutshell, there need be no long-run trade-off between stable prices and high employment. In fact, unless we have both, we're likely to have neither, resulting in the worst of all worlds—continuing inflation, high unemployment, and little or no real economic growth.

Solutions Can Be Found

There are, of course, many other serious problems needing attention—such as housing, transportation, racial justice, air and water pollution, law and order, prompt and fair administration of justice, the administrative machinery of government, and many others. I have discussed in other talks how I believe business and businessmen can help in the solution of some of these problems. In the short time available today, all I can say is that it is my firm conviction that much more progress can be made toward solving all of them, if we approach them

within the framework of the basic principles discussed today—particularly if each of us will select at least one part of one problem to which his own talents are best suited and do what he can as an individual to help solve it. Business as such, workers as such, educators as such, and government as such all have an essential role to play. But none of us can escape his own individual responsibility to do his part.

If businessmen are to assist government at the various levels, and if government is to meet its own obligation of creating and fostering a climate in which the private sector can function most productively, there must of course be a positive, constructive, and forward-looking relationship between them. We have a common stake in a growing economy. There are many areas that already benefit from cooperation between government and business, and doubtless more will emerge. There are also areas that could benefit by increased efforts by each segment within the sphere most appropriate to it. Each should do what it does best.

Reverting to the alternate titles I thought of for this talk, I confess that I am a little fed up with the amount of sound and fury that surrounds discussion of how best to achieve our social objectives. Our problems are not diminishing. We can ill afford any outlay of time, money, or energy that yields us no return.

And I am tired of constant calls for massive action, demanding that we go all out in this direction, or all out in that direction, without any regard for the very real limits of our total resources or how they can be most effectively allocated. We have no deficiency of action. But we have to remember that beneficial results do not automatically come from positive action, particularly thoughtless or ill-conceived action.

Why Forget Our Heritage

But I am not really discouraged with the human race, despite my temptation to use an eye-catching title for this talk. After all, I'm part of it—I hope. Somehow, Americans have al-ways found a way out of their problems, and I'm sure we haven't lost that ability. There are those among us who would have us forget our heritage; forget that, with all our faults, we have accomplished more for more people than any other nation in the history of mankind.

Our biggest task today is to not let ourselves be conned into tossing aside all the attributes that have made us great in favor of new slogans and pressures for instant paradise.

Those of us interested in making a serious try to cope with the economic and social problems our country faces today need not look far for what we must do. If, instead of just talking—or shouting—about what's wrong, we all work harder ourselves, especially if those of us who have the very heavy responsibility of helping improve the efficiency of others take our jobs a little more seriously, and if all of us cut out some of the waste and the nonsense, we'd at least be pointed in the right direction. What is needed is the personal involvement of each of us as individuals. Just contributing money or making speeches isn't enough. Instead of "Why doesn't somebody do something about it?" let's resolve—"Why don't you and I, every man-Jack and woman-Jill of us, do something about it—starting right now?" Only in this way can we begin to convert our country's Great Expectations into Great Accomplishments.



FOUNDED 1893

"THE DISASTER LOBBY"

by Thomas R. Shepard, Jr.

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FOREWORD

Not everyone will agree with all the observations included in this recent speech, "The Disaster Lobby", by Thomas R. Shepard, Jr., publisher of Look Magazine. In making this address available to its membership, the Illinois Manufacturers' Association does not imply that every part of it is unqualifiedly endorsed by the Association. Some readers might be of the opinion that the seriousness of some of the problems discussed, such as air and water pollution and drug usage, is unduly minimized.

Nevertheless, the address is thought-provoking, coming as it does from a man who occupies a unique position to view and appraise the American scene. The I.M.A. Board of Directors has concluded that Mr. Shepard's speech includes many statements that need to be said, and that it should therefore be distributed to member firms. Every reader, of course, is free to evaluate the material and base his conclusions on his own knowledge of the subjects discussed. If reprints are desired for employees, shareholders or others, copies can be ordered from I.M.A. for 10¢ per copy.

E. EDGERTON HART,
Executive Vice-President

THE DISASTER LOBBY By THOMAS R. SHEPARD, JR. Publisher, LOOK Magazine

One morning last fall I left my office here in New York and hailed a cab for Kennedy Airport. The driver had the radio tuned to one of those daytime talk shows where the participants take turns complaining about how terrible everything is.

Air pollution. Water pollution. Noise pollution. Racial unrest. Campus unrest. Overpopulation. Underemployment. You name it, they agonized over it. This went on all the way to Kennedy and as we pulled up at the terminal the driver turned to me and said — and I quote — "If things are all that bad, how come I feel so good?"

Ladies and gentlemen, I wonder how many Americans, pelted day after day by the voices of doom, ever ask themselves that question: "If things are all that bad, how come I feel so good?"

Well, I think I have the answer. We feel good because things aren't that bad. Today I would like to tell you how wrong the pessimists are, and to focus an overdue spotlight on the pessimists themselves. These are the people who, in the name of ecology or consumerism or some other "ology" or "ism," are laying siege to our state and federal governments, demanding laws to regulate industry on the premise that the United States

is on the brink of catastrophe and only a brand-new socio-economic system can save us. I call these people The Disaster Lobby, and I regard them as the most dangerous men and women in America today.

Dangerous not only to the institutions they seek to destroy but to the consumers they are supposed to protect.

Let's begin with a close-in look at that drumbeat of despair I heard in the taxicab and that all of us hear almost every day. Just how much truth is there to the Disaster Lobby's complaints?

Environment Misconceptions

Take the one about the oxygen we breathe. The Disaster folks tell us that the burning of fuels by industry is using up the earth's oxygen and that, eventually, there won't be any left and we'll suffocate. False. The National Science Foundation recently collected air samples at 78 sites around the world and compared them with samples taken 61 years ago. Result? There is today precisely the same amount of oxygen in the air as there was in 1910 — 20.95 per cent.

Other Fallacies

But what about air pollution? You can't deny that our air is getting more fouled up all the time, says the Disaster Lobby. Wrong. I *can* deny it. Our air is getting less fouled up all the time, in city after city.

In New York City, for example. New York's Department of Air Resources reports a year-by-year *decrease* in air pollutants since 1965. What's more, the New York City air is immeasurably cleaner today than it was a hundred years ago, when people burned soft coal and you could cut the smog with a knife.

Which brings us to water pollution. The Disaster Lobby recalls that, back in the days before America was industrialized, our rivers and lakes were crystal clear. True. And those crystal-clear rivers and lakes were the source of the worst cholera, yellow fever and typhoid epidemics the world has ever known. Just one of these epidemics — in 1793 — killed one of every five residents of Philadelphia.

Our waterways may not be as pretty as they used to be, but they aren't as deadly, either. In fact, the water we drink is the safest in the world. What's more, we're making progress cosmetically. Many of our streams will soon *look* as wholesome as they *are*.

Perhaps it's the fear of overpopulation that's getting you down. Well, cheer up. The birth rate in the United States has been dropping continuously since 1955 and is now at the lowest point in history. If the trend continues, it is remotely possible that by the year 4000 there won't be anyone left in the country. But I wouldn't fret about *under*population, either. Populations have a way of adjusting to conditions, and I have no doubt that our birth rate will pick up in due course.

I now come to the case of the mercury in tuna fish. How did it get there? The Disaster Lobby says it came from American factories. The truth, as scientists will tell you, is that the mercury came from deposits in nature.

To attribute pollution of entire oceans to the 900 tons of mercury released into the environment each year by industry — that's less than 40 carloads — is like blaming a boy with a water pistol for the Johnstown Flood. Further proof? Fish caught 44 years ago and just analyzed contain twice as much mercury as any fish processed this year.

Speaking of fish, what about the charge that our greed and carelessness are killing off species of animals? Well, it's true that about 50 species of wildlife will become extinct this century. But it's also true that 50 species became extinct *last* century. And the century before that. And the century before *that*.

In fact, says Dr. T. H. Jukes of the University of California, some 100 million species of animal life have become extinct since the world began. Animals come and animals go, as Mr. Darwin noted, and to blame ourselves for evolution would be the height of foolishness.

Then there is the drug situation. Isn't it a fact that we are becoming a nation of addicts? No, it is not. Historically, we are becoming a nation of *non*-addicts. Seventy years ago, one of every 400 Americans was hooked on hard drugs. Today, it's one in 3,000. So, despite recent experimentation with drugs by teenagers, the long-range trend is downward, not upward.

Another crisis constructed of pure poppycock is the so-called "youth rebellion," to which the Disaster Lobby points with mingled alarm and glee. But once you examine the scene in depth — once you probe behind a very small gaggle of young trouble-makers who are sorely in need of an education, a spanking and a bath, not necessarily in that order — you can't find any rebellion worth talking about.

A while back *Look* commissioned Gallup to do a study on the mood of America. Gallup found that, on virtually every issue, the views of teenagers coincided with those of adults. And on those issues where the kids did *not* see eye-to-eye with their elders, the youngsters often tended to be more conservative.

The same assessment can be made of the putative black rebellion. There isn't any. Oh, there are the rantings of a lunatic fringe — a few paranoid militants who in any other country would be behind bars and whose continued freedom here is testimony to the fact that we are the most liberated and least racist nation on earth. But the vast majority of black Americans, as that same Gallup study revealed, are staunch believers in this nation.

How about unemployment? The Disaster people regard it as a grave problem. Well, I suppose even one unemployed person is a grave problem, but the record book tells us that the current out-of-work level of 6 per cent is about par. We've had less, but we've also had more — much more.

During the Kennedy Administration unemployment topped 7 per cent. And back in the recovery period of Franklin Roosevelt's second term, unemployment reached 25 per cent. So let's not panic over this one.

That word "panic" brings me to the H-bomb. Some people have let the gloom-mongers scare them beyond rational response with talk about atomic annihilation. I can't guarantee immunity from the bomb, but I offer the following as food for thought. Since World War II, over one billion human beings who worried about A-bombs and H-bombs died of other causes. They worried for nothing. It's something to think about.

One final comment on the subject. Members of the Disaster Lobby look back with fond nostalgia to the "good old days" when there weren't any nasty factories to pollute the air and kill the animals and drive people to distraction with misleading advertisements. But what was life *really* like in America 150 years ago?

sumerists—in the hope, I suppose, that if we are accommodating enough the danger will go away.

Well, ladies and gentlemen, it *won't* go away. If I accomplish nothing else today, I hope I can make that fact transparently plain.

Nader's Interests

Take the Nader group, for example. I have heard many businessmen dismiss Ralph Nader and his associates as well-meaning fellows who sincerely want to help the consumer by improving business methods.

Forget it. Mr. Nader isn't interested in seeing American industry clean house. What he wants is the *house*—from cellar to attic. His goal is a top-to-bottom takeover of industry by the government, with Mr. Nader, himself, I would guess, in charge of the appropriate commission.

Find it hard to believe? Then listen to this Associated Press report of a speech he made last September:

"Consumer advocate Ralph Nader has proposed that corporations that abuse the public interest should be transferred to public trusteeship and their officers sent to jail."

Well, we all know which corporations abuse the public interest in the eyes of Mr. Nader, don't we. *All* of them. The automobile companies. The tire companies. The appliance companies. The drug companies. The food companies. And yes, indeed, the soap and detergent companies.

What Mr. Nader really desires, ladies and gentlemen, is for the government to take over *your* companies and to toss all of you into the calaboose, presumably without a trial. At least he never said anything about a trial.

Does anyone still think Mr. Nader and the rest of the Disaster Lobby are just some harmless do-gooders? Those who know them best don't think so. Federal Trade Commissioner Paul Rand Dixon, for example. Not long ago, he said of Mr. Nader—and I quote—"He's preaching revolution, and I'm scared."

So let's start fighting back! It's not an impossible task because the Disaster Lobby is, by and large, not too bright and far too preposterous. All we have to do to win over the American people is acquaint them with the facts.

We must show them that the consumerists are for the most part devout snobs who believe that the average man is too stupid to make his own selections in a free marketplace.

Mixed-Up Extremists

Our Disaster group opponents also have the most cockeyed set of priorities I have ever encountered. To save a few trees, they would prevent construction of a power plant that could provide essential electricity to scores of hospitals and schools.

To protect some birds, they would deprive mankind of food. To keep fish healthy, they would allow human beings to become sick.

One curious feature of the Disaster Lobby is an almost total lack of ethics. I say "curious" because these are the people who demand the maximum in ethics from private industry.

Not long ago, an organization favoring clean air ran an ad soliciting funds from New Yorkers. It was full of half-truths and non-truths, including this sentence: "The longer you live with New York's polluted air and the worse it gets, the better your chances of dying from it." But we know that New York's air is *not* getting worse. Just let some private company run that ad and see how fast the consumerism boys would have a complaint on file with the FTC.

Immaturity is also a characteristic of the Disaster man. His favorite question is, Why can't we have everything? Why can't we have simon-pure air *and* plentiful electricity *and* low utility rates, all at the same time? Why can't we have ample food *and* a ban on pesticides? I recommend the same answer you would give a not-too-intelligent five-year-old who asks, "Why can't I eat that cookie and still have it?" You explain that you just *can't* under our present technology.

Just recently the Coca-Cola Co. felt it necessary to reply to environmentalists who demand immediate replacement of glass and metal soft drink containers with something that will self-destruct. "A degradable soft drink container sounds like a fine idea," said Coca-Cola, "but it doesn't exist. And the chances are that one can't be made."

And Edward Cole, president of General Motors, responding to a government mandate for drastic reductions in exhaust emissions within the next four years, stated: "The technology does not exist at this time—inside or outside the automobile industry—to meet these stringent emission levels in the specified time."

This inability of the Disaster people to accept reality is reflected in their frequent complaint that mankind interferes with nature. Such a thing is patently impossible. Man is *part* of nature. We didn't come here from some other planet. Anything we do, we do as card-carrying instruments of nature.

You don't accuse a beaver of interfering with nature when it chops down a tree to build a dam. Then why condemn human beings for chopping down a lot of trees to build a lot of dams—or to do anything else that will make their lives safer or longer or more enjoyable?

When it comes to a choice between saving human lives and saving some fish, I will sacrifice the fish without a whimper. It's not that I'm anti-fish; it's just that I am pro-people.

The Disaster Lobbyist's immaturity shows up again and again in his unwillingness to compromise, to understand that

The Good Old Days

For one thing, it was very brief. Life expectancy was 38 years for males. And it was a grueling 38 years. The work week was 72 hours. The average pay was \$300. Per year, that is.

The women had it worse. Housewives worked 98 hours a week, and there wasn't a dishwasher or vacuum cleaner to be had. The food was monotonous and scarce. The clothes were rags. In the winter you froze and in summer you sweltered and when an epidemic came—and they came almost every year—it would probably carry off someone in your family. Chances are that in your entire lifetime you would never hear the sound of an orchestra or own a book or travel more than 20 miles from the place you were born.

Ladies and gentlemen, whatever American businessmen have done to bring us out of that paradise of 150 years ago, I say let's give them a grateful pat on the back—not a knife in it.

Now I'm not a Pollyanna. I am aware of the problems we face and of the need to find solutions and put them into effect. And I have nothing but praise for the many dedicated Americans who are devoting their lives to making this a better nation in a better world.

Conditions Improving

The point I am trying to make is that we are solving most of our problems, that conditions are getting better, not worse, that American industry is spending over \$3 billion a year to clean up the environment and additional billions to develop products that will keep it clean, and that the real danger today is not from the free enterprise establishment that has made ours the most prosperous, most powerful and most charitable nation on earth.

No, the danger today resides in the Disaster Lobby—those crepe-hangers who, for personal gain or out of sheer ignorance, are undermining the American system and threatening the lives and fortunes of the American people.

When I speak of a threat to lives, I mean it literally. A classic example of the dire things that can happen when the Disaster Lobby gets busy is the DDT story.

DDT Alternatives

It begins during World War II when a safe, cheap and potent new insecticide made its debut. Known as DDT, it proved its value almost overnight. Grain fields once ravaged by insects began producing bumper crops. Marshland became habitable. And the death rate in many countries fell sharply.

According to the World Health Organization, malaria fatalities dropped from four million a year in the 1930s to less than a million by 1968. Other insect-borne diseases also loosened their grip. Encephalitis. Yellow fever. Typhus.

Wherever DDT was used, the ailment abated. It has been estimated that a hundred million human beings who would have died of one of these afflictions are alive today because of DDT.

But that's not the whole story. In many countries famine was once a periodic visitor. Then, largely because of food surpluses made possible by DDT, famines became relatively rare. So you can credit this insecticide with saving additional hundreds of millions of lives.

Then in 1962 a lady named Rachel Carson wrote a book called *Silent Spring* in which she charged that DDT had killed some fish and some birds. That's all the Disaster Lobby needed.

It pounced on the book, embraced its claims—many of them still unsubstantiated—and ran off to Washington to demand a ban on DDT. And Washington meekly gave them their ban, in the form of a gradual DDT phase-out. Other countries followed the U.S. lead.

The effects were not long in coming. Malaria, virtually conquered throughout the world, is having a resurgence. Food production is down in many areas. And such pests as the gypsy moth, in hiding since the 1940s, are now munching away at American forests.

In some countries—among them Ceylon, Venezuela and Sweden—the renaissance of insects has been so devastating that laws against DDT have been repealed or amended. But in our country the use of DDT, down to 10 per cent of its former level, may soon be prohibited entirely.

The tragedy is that DDT, while it probably did kill a few birds and fish, never harmed a single human being except by accidental misuse. When the ultimate report is written, it may show that the opponents of DDT—despite the best of intentions—contributed to the deaths of more human beings than did all of the natural disasters in history.

In addition to endangering human life, the Disaster Lobbyists are making things as difficult as possible for us survivors. By preventing electric companies from building new power plants, they have caused most of those blackouts we've been experiencing.

Consumerism

By winning the fight for compulsory seat belts in automobiles, they have forced the 67 per cent of all Americans who do not use seat belts to waste \$250 million a year buying them anyway.

By demanding fewer sizes in package goods on the ground that this will make shopping easier for the handful of dumbbells in our society, they are preventing the intelligent majority of housewives from buying merchandise in the quantities most convenient and most efficient for their needs.

sumerists—in the hope, I suppose, that if we are accommodating enough the danger will go away.

Well, ladies and gentlemen, it *won't* go away. If I accomplish nothing else today, I hope I can make that fact transparently plain.

Nader's Interests

Take the Nader group, for example. I have heard many businessmen dismiss Ralph Nader and his associates as well-meaning fellows who sincerely want to help the consumer by improving business methods.

Forget it. Mr. Nader isn't interested in seeing American industry clean house. What he wants is the *house*—from cellar to attic. His goal is a top-to-bottom takeover of industry by the government, with Mr. Nader, himself, I would guess, in charge of the appropriate commission.

Find it hard to believe? Then listen to this Associated Press report of a speech he made last September:

"Consumer advocate Ralph Nader has proposed that corporations that abuse the public interest should be transferred to public trusteeship and their officers sent to jail."

Well, we all know which corporations abuse the public interest in the eyes of Mr. Nader, don't we. *All* of them. The automobile companies. The tire companies. The appliance companies. The drug companies. The food companies. And yes, indeed, the soap and detergent companies.

What Mr. Nader really desires, ladies and gentlemen, is for the government to take over *your* companies and to toss all of you into the calaboose, presumably without a trial. At least he never said anything about a trial.

Does anyone still think Mr. Nader and the rest of the Disaster Lobby are just some harmless do-gooders? Those who know them best don't think so. Federal Trade Commissioner Paul Rand Dixon, for example. Not long ago, he said of Mr. Nader—and I quote—"He's preaching revolution, and I'm scared."

So let's start fighting back! It's not an impossible task because the Disaster Lobby is, by and large, not too bright and far too preposterous. All we have to do to win over the American people is acquaint them with the facts.

We must show them that the consumerists are for the most part devout snobs who believe that the average man is too stupid to make his own selections in a free marketplace.

Mixed-Up Extremists

Our Disaster group opponents also have the most cockeyed set of priorities I have ever encountered. To save a few trees, they would prevent construction of a power plant that could provide essential electricity to scores of hospitals and schools.

To protect some birds, they would deprive mankind of food. To keep fish healthy, they would allow human beings to become sick.

One curious feature of the Disaster Lobby is an almost total lack of ethics. I say "curious" because these are the people who demand the maximum in ethics from private industry.

Not long ago, an organization favoring clean air ran an ad soliciting funds from New Yorkers. It was full of half-truths and non-truths, including this sentence: "The longer you live with New York's polluted air and the worse it gets, the better your chances of dying from it." But we know that New York's air is *not* getting worse. Just let some private company run that ad and see how fast the consumerism boys would have a complaint on file with the FTC.

Immaturity is also a characteristic of the Disaster man. His favorite question is, Why can't we have everything? Why can't we have simon-pure air *and* plentiful electricity *and* low utility rates, all at the same time? Why can't we have ample food *and* a ban on pesticides? I recommend the same answer you would give a not-too-intelligent five-year-old who asks, "Why can't I eat that cookie and still have it?" You explain that you just *can't* under our present technology.

Just recently the Coca-Cola Co. felt it necessary to reply to environmentalists who demand immediate replacement of glass and metal soft drink containers with something that will self-destruct. "A degradable soft drink container sounds like a fine idea," said Coca-Cola, "but it doesn't exist. And the chances are that one can't be made."

And Edward Cole, president of General Motors, responding to a government mandate for drastic reductions in exhaust emissions within the next four years, stated: "The technology does not exist at this time—inside or outside the automobile industry—to meet these stringent emission levels in the specified time."

This inability of the Disaster people to accept reality is reflected in their frequent complaint that mankind interferes with nature. Such a thing is patently impossible. Man is *part* of nature. We didn't come here from some other planet. Anything we do, we do as card-carrying instruments of nature.

You don't accuse a beaver of interfering with nature when it chops down a tree to build a dam. Then why condemn human beings for chopping down a lot of trees to build a lot of dams—or to do anything else that will make their lives safer or longer or more enjoyable?

When it comes to a choice between saving human lives and saving some fish, I will sacrifice the fish without a whimper. It's not that I'm anti-fish; it's just that I am pro-people.

The Disaster Lobbyist's immaturity shows up again and again in his unwillingness to compromise, to understand that

man must settle for less than perfection, for less than zero risk, if he is to flourish. Failing to understand, they demand what they call "adequate testing" before any new product is released to the public. But what they mean by adequate testing would, if carried out, destroy all progress.

If penicillin had been tested the way the Disaster Lobby wants all products tested—not only on the current generation but on future generations, to determine hereditary effects—this wonder drug would not be in use today. And millions of people whose lives have been saved by penicillin would be dead.

We simply cannot test every aspect of human endeavor, generation after generation, to make *absolutely* certain that *everything* we do is *totally* guaranteed not to harm *anybody* to *any* degree whatsoever. We must take an occasional risk to do the greater good for the greater number. But that is a rational, mature evaluation—something of which the Disaster Lobby seems utterly incapable.

So this is the face of the enemy. Not a very impressive face. Not even a pleasant face. We have nothing to lose, therefore, by exposing it to the American people for what it is.

Action Needed

The time for surrender and accommodation is past. We must let the American public know that, once free enterprise succumbs to the attacks of the consumerists and the ecologists and the rest of the Disaster Lobby, the freedom of the consumer goes with it. His freedom to live the way he wants and to buy the things he wants without some Big Brother in Washington telling him he can't.

Truth and justice and common sense are on our side. And Americans have a history of responding to these arguments. All we have to do is get the story out—as often as possible, in as many forms as possible. And let's not vitiate our efforts by talking to each other—one businessman to a fellow businessman.

The people we must reach are the *consumers* of America, and they're out there right now listening to propaganda from the other side and, as often as not, agreeing with it. But why shouldn't they? They have yet to hear the truth.

It's a bit late to make a New Year's resolution, but I suggest this one for anyone willing to chip in with a tardy entry. Let us resolve that 1971 will be the year we help convince the people of America that our nation is a great one, that our future is a bright one and that the Disaster Lobby is precisely what the name implies. A disaster.

Memo to GM: Why Not Fight Back?

By JEFFREY ST. JOHN

"American business, from the perspective of the world, is plainly in trouble," observed General Motors Chairman James M. Roche in a Chicago speech on March 25, 1970, when free enterprise needs support, it finds itself the target of much irresponsible criticism that causes disunity in our society."

Does GM or free enterprise deserve support? What has the world's largest and most successful enterprise done over the last decade to communicate a consistent and intelligent understanding of its enterprising function? General Motors, like American business in general, is "plainly in trouble" because intellectual bromides have been a substitute for a sound intellectual exposition of its point of view.

Such issues as "a business philosophy" are not likely to arise at GM's annual meeting today. A majority of GM's 1.3 million shareholders doubtless were pleased at Mr. Roche's tough speech in March, but the auto giant's shareholders and the millions of Americans who own stock in a multitude of American business enterprises should demand more than higher dividends and tough speeches. In their own self-interest they should demand from management the formulation of a philosophy that communicates the meaning and value of a free American business civilization. For as GM's growing troubles with government and radical groups illustrate, the lack of such a strong business philosophy is jeopardizing operations. It is also raising serious questions whether American enterprise is slowly being transformed, approaching the point where it is run by everyone except business management.

Giants like GM have faced their growing gaggle of critics intellectually and philosophically disarmed. For example, after last year's annual meeting, Ralph Nader's "Campaign GM" gained important concessions when management agreed to appoint a black director, a board level committee on public responsibility and a group of scientists to provide environmental advice. Not surprisingly, "Campaign GM, II" is back this year with more demands based on nothing more than its command of the media's attention and GM's confusion. "We leave this meeting," Chairman Roche said last year, "more determined to fulfill our social responsibility and more committed to our efforts to obtain a fuller understanding of all we are accomplishing." Such utterances reflect the fallacious view many businessmen take toward their critics. College administrators learned too late that such appeasements served to destroy free speech, academic freedom and genuine scholarship. One campus radical demand was conceded by university heads only to be followed by a fresh crop, which soon escalated to what amounted to a demand for outright surrender.

Advocates of Fascism

Mr. Nader and "Campaign GM" couldn't care less about GM's past record of "achievement" and current acceptance of "social responsibility." In reality what Mr. Nader and his allies advocate is fascism, although it is doubtful that he—or GM's management—recognizes it as such. An example is a Campaign GM II proposal that calls for constituent directors to be elected representing "consumers, workers, and environmentalists." Only one instance

fascism, unlike socialism, leaves the industrial system in private hands, while the state regulates and tightly controls what will be produced and how. Mr. Nader's insistence that government's regulatory powers be made stronger and more severe is a further step in that direction.

Moreover, Mr. Nader makes much of the point that business doesn't really believe in competitive free enterprise and that it no longer exists in America. His proposals and those of his allies and followers do nothing toward restoration of a free market system, progressively undermined since the New Deal by growing government control and regulations. What Mr. Nader seems to want is to go well beyond the New Deal.

It is astonishing that the Nader group could produce so devastating an indictment of government failure as the one on the Federal Trade Commission, but still advance a series of assumptions and ideas about government control of the auto industry that are similar to those leading to the failure of the FTC. Mr. Nader's clash with GM over auto safety, widened later into a general assault on corporations, rested on the naive, or deliberate, misrepresentation that federal edicts are the avenue to building better and safer automobiles.

It is revealing that Mr. Nader has not only avoided an open debate of the proposals he advances, but that he fudged the pointed question put to him in his recent clash with Sen. Ted Stevens (R., Alaska). The Senator insisted that if, as Mr. Nader charges, criminality in auto design and construction is rampant, why do he and his allies not seek indictments before a federal or state grand jury? Mr. Nader replied that no district attorney had the courage to deliver up such an indictment. But our constitutional system, unlike totalitarian states, provides the means for an advocacy proceeding equitable to all parties in which each is required to present his case with facts. As a lawyer Mr. Nader must know this. Yet he has chosen the government legislative and regulatory route, strewn with the wreckage of repeated failures and abuses as particularized and identified by Mr. Nader himself.

Sharpening Intellectual Tools

Only a consistent, philosophical understanding of the enterprise function can provide management the intellectual means to make sound judgments about what is actually being proposed by its critics. GM and other American businesses talk a good game about free enterprise, but they apparently have little interest in its intellectual, philosophical and historical roots. Since most business critics are essentially intellectuals and academics, it is little wonder that giants like GM are unable to explain how their products and profits make for more "social responsibility" than all the bromides and government control they have adopted or accepted from their enemies.

Some executives like Mr. Roche assumed, until recently, that business critics were well meaning but perhaps misguided. This intellectual dodge is compounded when corporate public relations heads urge the line of least resistance. Such a shallow approach can be suicidal in a real corporate crisis such as that which struck GM in 1966 over auto safety, which struck GM in 1966 over auto safety, which struck GM in 1966 over auto safety.

Roche rightfully observed, "has dulled the reputation of business. We read and hear very little that is good about business." Did Mr. Roche understand the implication of such a confession? Apparently not; yet something is profoundly rotten with a system of public relations and trade associations that can spend millions of dollars and, in the end, have the chairman of the world's largest successful enterprise confess that "we read and hear little that is good about business."

Business' massive failure to get its story told credibly is the direct result of a failure to embrace a consistent perspective, which is basic to effective persuasion.

Few in top management seem to grasp the gravity of the current crisis, nor do their well-paid public relations advisers. There are a few exceptions. The former communications director of Ashland Oil & Refining Co., Otto J. Scott, now a private consultant, contends that a business civilization is doomed if it is unable to consistently and intellectually explain its function and how historically a business civilization is the foundation of a free society. "Such a civilization is in trouble," Mr. Scott states, "because what men do not believe they understand, they will not justify. What they cannot justify, they will not defend. And what they will not defend, they cannot maintain."

Tough Decisions Needed

GM Chairman Roche acknowledges that "free enterprise has come to a crisis—a crisis in the sense of a time for decision. Tough decisions must be made by all of us, and soon."

Perhaps the place to begin is at GM. Such decisions, however, must be made within a philosophical perspective that offers the honest profit incentive as a moral alternative to plunder by force or fraud. A philosophy that explains that profit is the product of men's minds and their creative achievement that has helped make a multitude of larger ends possible. A philosophy that helps explain that the American business civilization is the product of three consecutive revolutions over the last 200 years. The first was the American Revolution of 1776 which, besides being a revolution for individual freedom, and retention of political rights, was a powerful blow for free trade and a break with crown mercantilism that was bottomed on human slavery. It was the American Revolution that provided the climate of freedom that laid the foundation for the Industrial Revolution of the 19th century, which would have ultimately banished human slavery if the Civil War had not done so. The human geniuses of the 19th century produced a multitude of mechanical inventions that made human slavery impractical economically, and laid the foundation for what we now call today's Technological Revolution.

The three revolutions of the last 200 years is a compelling story that has as its foundation the liberty of the intellect and a free social and political landscape that allowed that intellect free rein to flourish. In the last 50 or so years that landscape has grown progressively smaller under the philosophy of coercion, or of government control, that is forever at war with the creative minds of free men.

The American business civilization will not find its salvation by adopting the philosophy of critics who hold coercion to be their first commandment. It will find its salvation only by the philosophy it has abandoned:

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"Total Break With America"

The Fifth Annual Conference of Socialist Scholars

The accompanying article is an excerpt from the September 12 issue of U.S.A., a bi-weekly published by Alice Widener, nationally syndicated columnist and authority on the so-called Left, Old and New.

OPENLY proud of their rapid progress toward destruction of the American way of life, the Socialist Scholars—Marxist revolutionary braintrust in the United States—gathered together at Hofstra University, Hempstead, N.Y., on September 5-7, to hold a Fifth Annual Conference. Even if television cameras had been grinding and wire service reporters had been taking notes at the panel discussions, which they were not, no Socialist Scholar would have minced words this year about his revolutionary role in "the Movement."

by Ronald Aronson was in the form of an open letter headed "Dear Herbert." It shows precisely why Professor Herbert Marcuse of the University of California at San Diego, a Socialist Scholar and author of "One Dimensional Man" and "Eros and Civilization," is the internationally recognized intellectual mentor of "Red" Danny Cohn-Bendit, who played a key role in the 1968 May-June rebellion in France, and of "Red" Rudi Dutschke in West Berlin. Ronald Aronson's paper shows too, in a vivid, personal way, why

in Western thought and still be Marxists. . . . You introduced us to a perspective which was new and revolutionary, which made sense of our lives and helped us find our way as radicals. . . ."

Any non-Marxist who is appalled at or mystified by the anarchism and violence of revolutionary youth in our country and abroad need only read Ronald Aronson's own account of his own life in the paper "Dear Herbert!" to gain full understanding of why they are that way. Rhetori-

subgroup, every activity, every hour of the day."

Does the First Amendment to the Constitution prevent Michigan taxpayers from trying to protect youth at Wayne State University from indoctrination by an assistant professor such as Ronald Aronson? Are the Governor of Michigan and regents and administrators of Wayne State University under the same illusion as were their counterparts in New Jersey in 1965? That is, do they really believe that a radical socialist professor or instructor seeking the overthrow of the capitalist system can keep, or is willing to keep, his own "political beliefs" separate and apart from his classroom teaching?

Let's take a look at the Socialist Scholars' record. In 1965, New Jersey State Senator Wayne Dumont,

Members of the tax-exempt Socialist Scholars Conference (SSC) know they face no effectively organized anti-socialist or anti-revolutionary opposition today. They knew in

their intellectual foes had been disarmed by the accusatory slogans "McCarthyism," "Red-baiting" and "witchhunt"; the Socialist Scholars knew, too, that the U.S. Department of Justice had been legally disarmed by a series of decisions favorable to Communists handed down by a Warren Court practicing lax interpretation, not strict construction, of the First and Fifth Amendments to our Constitution.

Moreover, the Socialist Scholars were certain this year, as they have been during the past half-decade, that almost nobody among the bewildered majority of Americans asking "How do they get that way?" about violent young revolutionaries in the U.S., France, Japan, Mexico and other countries, would come up with the only correct answer: "Because they were taught that way."

Why should the Socialist Scholars mince words? They didn't. Take Socialist Scholar Martin Jay, for example, at present a Teaching Fellow in Social Science, School of General Education, Harvard University. He told a large audience of Socialist Scholars and radical students in the Multipurpose Room, Student Center, Hofstra University, during a morning panel session on Friday, September 5: "Our movement is a movement which, in effect, is a total break with America."

The topic of the SSC panel discussion in which Martin Jay took part was "Marcuse (Herbert): His Works and Influence." The panelists included Ronald Aronson, Assistant Professor of Humanistic Studies, Wayne State University; Paul Breines, University of Wisconsin; and Stanley Aronowitz, columnist for the radical news-weekly, *Guardian*. The very long paper presented

has become the intellectual idol of the so-called New Left in influencing youths toward hedonism and anarchism.

For the Second Annual Conference of Socialist Scholars in 1966, Herbert Marcuse, then 70 years old, wrote a paper saying "the Marxian idea of socialism is not radical enough." He wrote to the Socialist Scholars, "We must develop the moral-sexual rebellion of the youth." Marcuse's pupil, Ronald Aronson, stated in the paper he delivered at Hofstra University, September 5, 1969: "Dear Herbert: . . . I want to begin by emphasizing that for myself and a few friends, studying with you was one of the decisive experiences of our lives. Your thought, personality, style of teaching and writings were overpowering. . . . you helped us to take our stand

clearly, Aronson asks how it is possible for him to be himself "and live in America." Answering himself, he writes, "The only answer that makes sense to me is this: creating my identity and becoming political . . . Seeing revolution as the way to liberate us all to live a life that is truly our own." He continues: "What a leap I just took! A whole account of a life-search which doesn't once mention politics, and suddenly I proclaim the necessity for revolution."

He then calls on scholars to write a study—written "as Marx did"—to show "that fully-developed capitalism is necessarily totalitarian. . . . I mean that the corporations' pursuit of profits through the mass production and sale of commodities has spread to every geographic area, every inch of land, every population

called for removal from the Rutgers University faculty of Professor Eugene D. Genovese for having declared at a Rutgers campus "teach-in" on Vietnam, April 23, 1965, "Those of you who know me know I am a Marxist and a Socialist. Therefore, unlike most of my distinguished colleagues here this morning, I do not fear or regret the impending Viet Cong victory in Vietnam. I welcome it."

Largely on the assertion strongly put forth by Professor Genovese and his defenders that his teach-in remarks were not made in a classroom, and that his campus political life and personal views were one thing, his academic role another, the Governor of New Jersey declared on August 6, 1965, that "however offensive" Genovese's statement may have been, it did not constitute grounds for dismissal.

* * *

A month later, Professor Genovese told the First Annual Conference of Socialist Scholars (McMillin Theater, Columbia University): "We must exert the moral leadership we are prepared to give young radicals. . . . The political separation—activist and academician—is a matter of convenience. That, we all know."

Now in 1969, the Socialist Scholars—among whom Assistant Professor Ronald Aronson of Wayne State University is a leading member—are so confident of being able to play their real campus role with total immunity that they have formally abandoned the "convenience" of professing to separate their political and classroom activities.

The official invitation to the Fifth Annual Socialist Scholars Conference, issued in May, stated that the

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"Total Break With America"

Continued from Page 1

organization is expanding its functions by recognizing that any socialist organization—even one limited to intellectual work—is a political organization." The official SSC program for the conference at Hofstra University states: "When the SSC was founded five years ago its declared purpose was to bring socialist scholars together in order to stimulate analysis, theory and criticism. . . . the organization welcomed all who call themselves socialists. . . .

"During these years . . . the need for an expansion of purpose and function has been general. . . . The SSC now seeks to provide an organizing focus for the effort to identify and establish the intellectual's role in the development of a socialist culture. . . . An expanded definition gives rise to additional activities." One of these will be the widespread production and distribution of SSC papers in pamphlets for assignment in the college classroom of materials written from an explicitly socialist perspective. . . .

There you have it. Sure of community, the Socialist

Statement by Martin Jay, Teaching Fellow in Social Science, School of General Education, Harvard University, to Socialist Scholars, September 5, 1969: "Our movement is a movement which, in effect, is a total break with America."

Salutation by Ralph Schoenman, Bertrand Russell Peace Foundation, to Socialist Scholars, September 6, 1969: "Comrades, friends, and all of us who are revolutionaries: . . ."

Statement by guest of honor Robin Blackburn, Editor, "New Left Review," London, to Socialist Scholars, September 6, 1969: "We must have a decisive break which is the reverse of Puritanism. Such a socialist culture is impossible to achieve without the violent overthrow of the capitalist regime. . . ."

"Anarcho-populism is very useful because it is undermining the archaic institution of private property."

given a classroom assignment to study Ronald Aronson's maxim that "revolutionaries need to engage the whole person: his activity, his imagination, his sense of lost hopes. Not tracing the structure of capitalism, but blowing people's minds."

That's what the Socialist Scholars are all about—blowing people's minds, especially those of young people. At SSC panel sessions, the devastating path of the intellectual hurricane blowing thousands of young American victims into a mindless culture of drugs, obscenity, pornography and anarchy was as discernible as the weather map path of

shouted down by the Socialist Scholars as a guilt-by-association tale told by a "McCarthyite" or "Bircher."

On concluding his paper, James O'Brien boasted: "Capitalism is in its death period, and some progressive capitalists acknowledge it." Indeed some do, even as some wealthy German, French and British capitalists—Catholic, Protestant and Jewish—backed National Socialist Adolph Hitler during the early Thirties, hoping to ride on the crest of "the wave of the future."

In the U.S. today, many "progressive capitalists" are financing socialist at-

target of the Fifth Annual Socialist Scholars Conference. And the scholars linked the radical student movement closely with the anti-corporate campaign. All Marxist-Leninists believe (as SSC guest of honor Robin Blackburn, editor of *New Left Review* in London, reiterated): "The theory of the weakest link is the theory of the decisive link."

At the panel on "The Student Response to the American Century," Bruce Brown of Washington University said, "The university is the weak link of the capital corporate structure." Brown explained that the corporation is the "nuclear institution"

opment. To deny Marxism is to deny that capitalism still exists."

It won't exist much longer in the U.S., and neither will the American corporation, if the Socialist Scholars have their way. A year ago, I reported after attending the Fourth Annual Conference of Socialist Scholars, at Rutgers University, that they regard students as the detonators for setting off revolutionary explosions, and that the Socialist Scholars were moving into "phase 2" of their operations, in which they would take Students for a Democratic Society (SDS) out of undergraduate leadership, fragment the student movement and merge it into a much more sophisticated, better disciplined, more militant international Marxist-Leninist apparatus, designed to overthrow capitalism in all the advanced industrial nations.

* * *

All is taking place on schedule. Control of SDS and rival factional radical student groups has been removed from undergraduates' hands and centralized in graduate student and adult organizations. The official Socialist Scholars con-

"convenience" of dissimulation concerning aims, methods and acts. They no longer need put on a false front of academic objectivity; they no longer need pretend that there is a separation between activities off-campus and-on-campus, out-of-classroom and in-class.

Ronald Aronson's "Dear Herbert" probably will become a classroom assignment for students taught by Socialist Scholars who—as listed in the 1969 conference program—have infiltrated or penetrated the faculties of Wayne State University; University of Wisconsin; Harvard University; University of Maryland; Washington University; New School (for Social Research), New York City; Boston University; Hofstra University; John Jay College; McGill University (Montreal); Douglass College, Massachusetts Institute of Technology; University of California; Long Island University; Essex County College; University of Pennsylvania; State University of New York at Stony Brook; Amherst College; Yale University; Federal City College; Brandeis University; Richmond College; City University of New York; Brooklyn College.

Doubtless undergraduates studying with Socialist Scholars at the foregoing academic institutions, and at dozens of others, will be

hurricane Camille on its way to destroy Gulfport, Biloxi and Pass Christian.

At a panel session on "The Student Response to the American Century," Socialist Scholar James O'Brien of the University of Wisconsin traced the historic development of American Socialism in this century, praising all socialists, regardless of faction, for the role they played in trying to destroy capitalism, from Walter Lippmann, of the Intercollegiate Socialist Society (Harvard, 1913), to Mark Rudd, of Students for a Democratic Society (Columbia, 1968); from John Dewey, author of "progressive education," to Herbert Aptheker, of the present Communist Party, U.S.A. and Institute for Marxist Studies; from the late Norman Thomas, of the Socialist Party and Social Democratic Federation, to Michael Harrington, author of "The Other America" and a present leader of Americans for Democratic Action.

All socialists — Communist, Trotskyite, Democratic, Christian or Maoist—explained James O'Brien, have made invaluable contributions to the downfall of middle class ("bourgeois") culture and to impairment of the American corporate structure. Had his historically accurate paper been written by an outsider, it probably would have been

tacks on our great corporations—from producers of ethical drugs to insecticides, from cigarets to lipsticks, from automobiles to transistors, from computers to television sets and toys.

It is true that no human institution, including the corporation, is perfect, but ruckraking against American business always has been a socialist business. From it has sprung the current fad for "consumerism," which had its origin in the Communist-organized Consumer's Union. Founded in 1935, Consumer's Union remained under Red control until 1953, when changes in personnel were made and the organization was removed from the list of subversive organizations of the House Committee on Internal Security.

There is no question that the American consumer needs legal protection against fraud, injury, unfair business practices and other criminal activities. But there is also no doubt that there exists in this nation today a deliberate campaign of vilification against U.S. corporate enterprise by socialists, especially Socialist Scholars, who are turning thousands of young men and women into members of a student-worker alliance such as nearly brought down France last year.

The American corporation, indeed, was the main

around which U.S. capitalism is organized, and he charged that in the United States "affluence is only attained through the surrender of control to corporate bureaucracy."

Describing himself as a "revolutionary," Bruce Brown told the Socialist Scholars: "We must begin an anti-corporate struggle on its own terrain and not wait for a crisis." He went on to say that the term "youth" should be used to define "a group only in part defined by age, that is, a modality of society free of bureaucratic (capitalist) control."

Bruce Brown's statement explains the seeming paradox in a "New Left" American radicalism that professes rejection of "anyone over 30," but takes direction from Old Leftist septuagenarian Herbert Marcuse, and from middle-aged Herbert Aptheker of the Communist Party, U.S.A. To make sure of not being misunderstood, Bruce Brown explained, "The student movement is the catalyst for extending revolution outside the campuses."

What the Socialist Scholars mean by saying they will introduce into the classroom teaching materials written from "an explicitly socialist perspective" was made clear in Bruce Brown's remarks. This "scholar" declared, "Marxism is the only theory of capitalistic devel-

opment program, September 1969, announces that SSC will join forces with the Bertrand Russell Peace Foundation in a series of public meetings on "Toward a Revolutionary Strategy for Advanced Industrial Countries." The first meeting, scheduled for late November in New York City, will discuss "Agencies for Social Change."

Main speakers will include Andre Gorz, author of "Strategy for Labor" and editor of *Les Temps Modernes*; James O'Connor of San Jose (Calif.) State College; and Ernest Mandel, author of "Marxist Economic Theory" and editor of *La Gauche*. (A Belgian instigator of the 1968 May-June rebellion in France, Mandel is banned from that country but was guest speaker at the Fourth Annual Conference of Socialist Scholars, Rutgers University, September 1968.)

On Saturday, September 6, 1969, the guest of honor at the Fifth Annual Conference of Socialist Scholars, Robin Blackburn, British editor of the influential *New Left Review*, spoke at length in a panel session on "Recent European Theory and the American Left."

Mr. Blackburn explained, "Lenin is not difficult to accept by us Western revolutionaries." It is a mistake, he said, to allege that Lenin taught the necessity of one single revolutionary party. At certain stages of develop-

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"TOTAL BREAK"

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ment—Blackburn said— Lenin favored the expediency "of a number of competing revolutionary groups." Blackburn continued, "If the revolution is a complex totality, so must be the revolutionary party." He called for overthrow of "the hegemony of bourgeois culture and creation of a genuinely revolutionary counter-culture." There must be a decisive break with middle class (bourgeois) culture, he said, a break that is "the reverse of Puritanism." He said such a socialist culture "is impossible to achieve without the violent overthrow of the capitalist regime." As I said earlier, the Socialist Scholars no longer mince words.

* * *

However, even Blackburn's call for "violent overthrow" was not explicitly socialist enough to suit him and his listeners, and so he went into great detail, putting current affairs in such clear perspective that there is no longer the slightest necessity for continued discussion in general academic, government or law enforcement circles about the significance of the "youth movement" and its role in

carry anticapitalist political propaganda along with the obscenity and pornography.

The Socialist Scholars in Adams Hall at Hofstra University, September 6, loudly applauded Robin Blackburn's appraisal of youth culture. But they gave still more enthusiastic approval to his analysis of current "anarcho-populism" in the advanced industrial nations. In the U.S. and elsewhere, he explained, anarcho-populism should be favorably regarded because it is undermining "the archaic institution of private property."

To foster anarcho-populism in our nation, the Socialist Scholars—aware of the multiracial, culturally diverse nature of the U.S. population—strongly favor a multiplicity of radical groups and organizations among us. Indeed, the Socialist Scholars are assiduously promoting as many radical groups as possible. That is why they accorded as much attention to Ralph Schoenman, passionate Trotskyite and head of the Bertrand Russell Peace Foundation, as they did to Robin Blackburn, Marxist-Leninist who praises Stalin and Mao Tse-tung.

secretary, Arthur J. Felberbaum, Jr.

Several times, during discussion periods following panel sessions, Mr. Felberbaum went to the microphone to ask questions and offer comments. He is not an eloquent speaker, being more an activist than a scholar. He proved as much during an appearance at the "Pretty Boy Floyd Memorial Lecture" sponsored by Students for a Democratic Society and Movement for a Democratic Society (MDS) at The New School (formerly New School for Social Research) in New York City, October 3, 1968.

The lecture took place in a closed-off section of the fourth-floor cafeteria. Newspaper headlines throughout the world were reporting the terrible violence of the student revolt in Mexico City. Speakers at the Pretty Boy Floyd lecture were an innocent looking little blonde, Sara Murphy, who talked cold-bloodedly in favor of the bloody Mexican student rebellion as a means of "bringing down the repressive Mexican Government," and a Spanish-speaking "Comrade Rafael" who was accompanied by two other

"TOTAL BREAK"

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housing development in the city to force the troops and police "to shoot at unarmed students," and thus discredit themselves in front of uninvolved housing development residents "and bring the petite bourgeoisie into rapport with the revolution."

(That same evening, October 3, 1968, on the 11 p.m. CBS news, reporter Bert Quint, broadcasting from Mexico, fell into the revolutionists' propaganda trap; during filmed scenes of the housing development shooting in Mexico City, he denounced the Mexican authorities' "senseless shooting at unarmed students." There was not a hint in his news report that the revolutionary students had deliberately planned things that way.)

* * *

All during the lecture, Mr. Felberbaum and other participants made the ugliest possible remarks about the FBI and about the U.S. and Mexican police. This was to be expected by anyone familiar with the sinister significance of the lecture title, "Pretty Boy Floyd." On June 17, 1933, murderous gangster "Pretty Boy" (Charles) Floyd took part in

"a total break with America."

On campuses throughout the nation, Socialist Scholars are training our children to make that break. In virtually all our academic communities, Socialist Scholars are studying, researching and teaching the most effective means for the violent overthrow of the U.S. government and destruction of the American way of life.

Is anyone, anywhere, going to do anything to thwart their plans? Or, is it possible that the Socialist Scholars and their predecessors have already succeeded in "blowing" the minds of the American people?

Youth culture, said Robin Blackburn, "takes out a segment of society from bourgeois society." He praised the hippies and yuppies and all manner of break-out youth, including the 300,000 at the Woodstock Festival in New York last month. He lauded the American "underground" culture because "its explicit themes are anti-capitalist."

And so they are. There is not a single underground newspaper or magazine in the U.S. which does not

At the SSC panel session on "Recent - European Theory and the American Left," Mr. Schoenman opened his remarks with the salutation, "Comrades, friends, and all of us who are revolutionaries: . . ." Perhaps the most interesting thing about his appearance at the Socialist Scholars Conference was the presence there of his associate in the Bertrand Russell Peace Foundation, U.S.A., its executive

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Miss Murphy said that all had recently taken part in the violent student struggle as a means of forcing Mexican police and troops to discredit themselves in the eyes of Mexican workers, peasants and "petite bourgeoisie." Arthur Felberbaum, recently returned from Mexico City, added that the rebellious students went into a new

cre," in which two detectives, the chief of police and an FBI agent were killed, and two federal agents wounded.

What has the Pretty Boy Floyd lecture incident of last year to do with the Fifth Annual Conference of Socialist Scholars? Only that Ralph Schoenman, head of the Bertrand Russell Peace Foundation, and its executive secretary, Arthur J. Felberbaum, militant activist have teamed up with the Socialist Scholars to devise "a revolutionary strategy" for the advanced industrial countries.

Among the industrial nations, the United States is the most advanced. Thus it is the main target of the socialists' revolutionary activities. The bull's-eye in that target is exactly what the Socialist Scholars say it is—the American corporate structure. At the very center of the bull's-eye is the American citizen's right, under the Constitution, to own private property. That right is essential to our life and liberty, and to our pursuit of happiness. These the Socialist Scholars wish to destroy.

* * *

Now, for the fifth time in a row, I have been alone among members of the non-radical press in reporting on the annual conference of the Marxist braintrust in America. There is no mystery at all about their movement; it is what Martin Jay of Harvard University says it is—



William Raspberry

Give Poor a Tax Break

DEAR MR. PRESIDENT:
 If I understand your proposal for liberalizing tax deductions for depreciation of plants and equipment—and I'm not at all sure that I do—it is a scheme for encouraging manufacturers to replace aging equipment and thereby increase capital outlays and quite possibly jobs.
 In short, the \$3-billion-a-year tax break is aimed at stimulating the nation's lethargic economy.
 The trouble with your proposal, which some opponents, including Ralph Nader, have branded out-

right, illegal, is that its direct benefits would accrue only to the rich, the owners of big companies. The rest of us would have to have faith that the big businessmen would reinvest the savings and "trickle down" to us such benefits as increased employment.

Faith being an increasingly scarce commodity, let me suggest, sir, that if you are serious about wanting to use tax breaks to stimulate the economy, you are starting at the wrong end.

Big business might well decide to reinvest the tax savings that your proposal would provide; then again it might decide to increase dividends to stockholders. That is much too "iffy" a cure for a very sick economy.

But if there is any certainty in the universe, it is that poor people will spend at least all the money they have; they really haven't a choice.

THIS BEING the case, my proposal is that you move to grant a tax break to poor

The "trickle down" effect of tax breaks for big business is a matter of big business's options; the "trickle up" effect of tax breaks for the poor would be a certainty. Poor folks, if they obtained such breaks, could be counted on to buy more television sets, cars, furniture—whatever the manufacturers manufacture—and everyone would be happy.

Poor folks would be happy with their new purchasing power; and big business would be happy with its increased income. (Why should a businessman care whether his bank account grows faster through tax breaks or through increased sales?)

Nor should there be much difficulty in working up a proper rationale for such a policy.

Your justification for the \$3-billion tax break is that, since equipment purchases come out of a business's profits, it is fair to permit businessmen to deduct the cost of such purchases for tax purposes. Depreciation is simply a device for deducting such costs over a period of years rather than all at once. Your proposal would permit a businessman to shorten, by 20 per cent, the period over which equipment would depreciate to

the point of theoretical worthlessness.

ADMINISTRATION spokesmen acknowledge that not all equipment wears out, or becomes outdated, at the same rate. But to work out item-by-item depreciation schedules would be too burdensome, they say.

What you propose, in effect, is to let each individual businessman decide for himself his own depreciation rate. That strikes me as a little risky, but that's another question.

The justification for my own scheme is based on the common knowledge that poor people pay too much for nearly everything, whether appliances, loans, rent, groceries—or taxes. They also get the worst of governmental services: schools, police and fire protection, sanitation, and so on.

Any competent government statistician could work up figures to show by approximately what percentage poor people pay more and get less. That would furnish the basis for granting a tax abatement of 30 per cent or whatever the figure turned out to be.

THE ATTRACTIVE feature of my scheme is that it is calculated to work itself out of existence. A poor family that got a 30 per cent tax break might soon find it possible to move to a neighborhood that offered better schools and police protection, which would reduce the need for the income tax abatement.

More important, the things they would buy with their newly available cash would lead to more production, which means more jobs. And with more jobs open to the poor, there would be fewer poor of them and, therefore, fewer people getting the tax break.

The result would be more of everything for everybody, and more taxes for the government. If you move quickly enough to institute my scheme, it might start to show results in time for the 1972 elections.

In any case, I'll leave the timing and the details to the experts on your staff. I am, after all, just a newspaper guy.

Sincerely,

Analyzing Youth

When it comes to polls and young people, evidently, you pay your money and you take your choice. Which view shall one take of modern youth: alarmist or admiring? It depends at least partially on what poll one reads.

The conservative National Review magazine, for example, sponsored a poll on 12 representative American campuses the results of which in the magazine's view made the republic's foundations look rather shaky. Almost half the students favored socialization of basic U.S. industries; seven of 10 would have the U. S. unilaterally suspend atomic weapons development; 40 per cent called American society "sick"; three out of four would permit Marxists to teach citizenship courses in American public schools; and 54 per cent, given the alternatives of world war with the Soviet Union or surrender to the Soviet Union, would choose surrender.

But a Gallup college survey conducted about the same time as the National Review poll showed that 73 per cent of students polled nationally gave the North Atlantic Treaty Organization (NATO) a "favorable" rating. Of those holding favorable views, one-quarter gave NATO a "highly favorable"

rating. Only 21 per cent held negative opinions. NATO is of course basically a military organization dedicated to the prevention of Communist expansionism in Europe. If students are, as often alleged, antimilitary and "soft on the Reds," this poll certainly doesn't show it.

Still another poll taken among youth of the six-nation European Common Market listed Switzerland as the nation in which the young people had the most confidence, followed closely by the United States and Britain. The Soviet Union and Red China were at the bottom of their list. The students overwhelmingly rejected Communism and favored European unification along the lines of a "U.S. of Europe."

If there is a common thread uniting these disparate surveys, it is that today's Western college students tend to be internationalist. They may be somewhat disillusioned by real or imagined sins of their home nation-states. Their replies sometimes hearten, sometimes disappoint, their elders. Their answers sometimes seem contradictory. But if they are confused, they may be no more so than the world their parents have made.

A Populist Manifesto: The Making of a New Majority

By Jack Newfield

“...When the white workingman bitched about street crime, he was called a Goldwaterite by liberals in the suburbs...”



think of myself as neither a liberal nor a member of the current New Left. I think of myself as a populist, part of a political tradition that stretches back from Dr. Martin Luther King and Ralph Nader to Estes Kefauver, to the early CIO, to the muckrakers, to “prairie avenger” William Jennings Bryan, to Susan Anthony and Thomas Jefferson. I think of myself as part of a political school based on two old and simple goals: the more equal distribution of wealth and income, and the decentralization of power to ensure more citizen participation in making decisions.

I guess I have been working toward a populist stance at least since we made “participatory democracy” the central idea of the *Port Huron Statement*, the founding manifesto of Students for a Democratic Society, drafted in 1962. I continued to think of myself as a populist as I followed Robert Kennedy through the steel mills of Gary, Indiana, in 1968, and watched those tough Wallace voters transfer their trust to an earthy enemy of hunger and war. I felt the effort last year to save 69 homes in Corona was a pure populist cause—working-class Italians against Lindsay’s experts, the notion of community participation pitted against an abstract conception of progress.

Consensus liberals, the “problem solvers” like Humphrey, Brooke, Javits, Muskie, Tunney, Stevenson, and Rockefeller, seem to me fatally flawed by their lack of nerve and will, by their lingering faith in centralized bureaucracy, by their complicity in the Vietnam holocaust and in the perpetuation of the cold-warrior mentality, by their lack of original ideas, and by their failure to make important headway on any problems

"...Estes Kefauver broke his heart trying to teach the economic facts of life to the Democratic Party in the 1950s..."

when last in power. On issues like the withdrawal of troops from Europe, conspiracy laws, and tax reform, liberalism has become indistinguishable from Nixonian conservatism.

The New Politics constituency appears limited to the white middle class, excessively preoccupied by nuances of style, and personality, and uninterested in working-class discontents. They suffer from issue nymphomania, racing from gay liberation one week to fighting over an unimportant district leadership on the West Side of Manhattan the next. They shirk the hard labor of doing coherent institutional and economic analysis without which they cannot get to the root of things.

The New Left, in its Weathermen, Panther and Yippie incarnations, seems anti-democratic, terroristic, dogmatic, stoned on rhetoric and badly disconnected from everyday reality.

Of all the political traditions of redemption available to us, populism seems best to synthesize the root need to redistribute wealth and the commitment to broaden democratic participation, a synthesis that could unite the poor and almost-poor with the young into a new majority for justice.

So the thesis of this essay is that America is ripe for a new urban populist politics, that daily life for millions of white workingmen has become a pain, and that contrary to Kevin Phillips and Richard Scammon, they are now open to anti-establishment alternatives to Wallace and Procaccino.

Since 1952, since Adlai Stevenson's time, the Democratic Party has slowly abandoned the needs of the white working class, the factory worker, the small farmer, the sanitationman, the millions who earn between \$6,000 and \$10,000 a year with their hands and suffer the boredom of drudgery.

With the honorable exception of Estes Kefauver, who broke his heart trying to teach his party the economic facts of life in the U.S., Democratic politicians aspiring to be President during the 1950s broke with the tradition of Roosevelt and Truman and stopped making bread-and-butter issues—jobs, housing, corporate price-fixing, tax evasion by the rich—the point of their politics. At the same time, academics like professors Daniel Bell and Seymour M. Lipset authored popular obituaries for radicalism. Everything important was solved, they announced, and predicted an optimistic future in which the only disputes

would be over means, not ends.

Satisfaction bordering on smugness became the mood of the liberal, middle-class world. The writers and thinkers turned away from the old economic concerns of the 1950s to take up essentially sociological and cultural questions like affluence, suburbia, status anxiety and the role of art in a mass culture. The best-selling books of this period were Daniel Bell's *The End of Ideology*; Vance Packard's *The Status Seekers*; David Riesman's *The Lonely Crowd* and William H. Whyte's *The Organization Man*.

Then came the revival of insurgent politics during the 1960s. But the power-liberals, the Bundys and the McNamaras and the Rostows and the Moynihans, made two large errors. First, accepting the end-of-ideology theory of the fifties, they tended to see social problems in terms of efficient management, rather than as a function of unequal wealth. A technocrat elite from Harvard and RAND were recruited to Camelot as the new "problem solvers." Vietnam is their monument.

The second blunder of the sixties, which I did not fully understand at the time, was the misconception of the domestic crisis as one of color and not of class. Instead of fashioning agencies and programs that helped everyone, black and white, programs like national health insurance, or a \$2.50 minimum wage law, or income guarantees, or tax reform that benefited blue-collar families, or creating more jobs . . . instead, the liberals put their energies into marginal programs aimed at blacks and paid for by the middle class; programs like school busing, and civilian review boards, and something LBJ called "an unconditional war to abolish poverty."

But it turned out to be something less. It turned out to be a patronage hustle for sociologists and consultants and a few black political operators. And it did not touch, much less fundamentally change, the lives of the black underclass.

But it did help generate what we would come to call the backlash, because there were no OEO programs in Corona or Bay Ridge, no storefronts offering legal services in Youngstown, no big grants to save decaying white neighborhoods in Hoboken or South Boston.

I cannot recall either Johnson in 1964 or Humphrey in 1968 campaigning on any positive or original ideas that might excite the almost-poor work-

ers, whose votes they took for granted. I can remember LBJ warning that Goldwater would drag us into a war in Asia; and Humphrey talking tough about crime and trying to please everyone on Vietnam. In 1970, the Democrats ran against Herbert Hoover, which was progress.

In contrast, George Wallace recently has been sounding like William Jennings Bryan as he attacks concentrated wealth in his speeches. "The present tax laws," he said in May, "were written to protect the Rockefellers, the Fords, the Carnegies, and the Mellons. The tax-exempt foundations these families have set up are unfair . . . the average workingman is tired of the Internal Revenue Service snooping in every item of his business."

The Kerner Commission Report in 1968 declared "white racism" was the heart of the matter. At the same time the banks and *Fortune* magazine's 500 leading corporations and the utilities and the insurance companies and the oil and pharmaceutical industries continued to make generous profits. But white workers were finding themselves unemployed, laid-off, powerless, worried about crime, unable to pay the hospital bills, unable to send their children to college, breathing poisoned air, working in unsafe and unhealthy conditions in mines, factories and construction sites, and furious about taxes and inflation.

From 1960 to 1968 liberal Democrats governed the country. But nothing basic got done to make life decisively better for the white workingman. When he bitched about street crime, he was called a Goldwaterite by liberals who felt secure in the suburbs behind high fences and expensive locks. When he complained about his daughter being bused, he was called a racist by liberals who could afford to send their own children to private schools. Meanwhile, the liberal elite repeated their little Polish jokes at Yale and on the Vineyard, and they cheered when Eugene McCarthy reminded them in Oregon that the educated people voted for him and the uneducated people voted for Robert Kennedy.

Liberal hypocrisy, created a lot of Wallace votes in 1968.

The current economic system in America can fairly be described as socialism for the rich and capitalism for the poor.

There are ample funds for highways, farm subsidies (\$10 billion last year),

DIG BUSINESS

EXPRESS COMPANIES

FARMS

LEGISLATURES

CHAIN STORES

ELEVATORS

FACTORIES

THE WORKERS

ROADS

RAIL

TELE

GRAPH

PHONE

BETTER
REGULATION

VOTES

AFTER ART YOUNG'S
CARTOON "TIME TO BUTCHER"

Edwin and Howell '31

“...There were no OEO programs in Corona or Bay Ridge, no storefront legal aid in Youngstown, no grants for Hoboken...”

Albany Malls, World Trade Centers, and \$80 billion each year for the Pentagon, which, in turn, takes care of the RAND Corporation and the General Dynamics Corporation. There are oil depletion allowances, untaxed Swiss bank accounts, federal regulatory agencies dominated by the corporations they are supposed to watch, and tax-free foundations. Over 300 Americans with incomes of more than \$200,000 paid no income tax at all for 1970, according to Congressman Henry Reuss of Wisconsin. Governor Ronald Reagan paid not one cent in state tax last year, although he drew from the state \$76,500 in salary and perquisites. This year the Congress voted \$200 million in subsidies to shipbuilders, while it refused to appropriate \$5 million to prevent and treat lead poisoning in slum children.

Meanwhile, the myth of affluence fostered in the fifties has been shattered. More than 25 million American citizens are living in poverty, according to the Department of Labor's own statistics, and estimates by Michael Harrington and others run as high as 40 million. In New York City alone, more than a million people today live on welfare. More than 60 per cent of white families in New York City earn less than \$9,400 a year.

On May 7 of this year the Census Bureau reported that the number of poor people in the nation increased last year for the first time in a decade. Two-thirds of the total are white. Another 7 million white families earn between \$5,000 and \$7,000 a year, just above the welfare level. And this is before taxes.

(It must be noted, however, that while one in ten whites lived in poverty, one out of every three blacks was below the poverty line of \$4,000 a year for a family of four.)

Another recent Census Bureau study showed that the purchasing power of the typical American family did not increase last year, for the first time in a decade.

These two indexes, coupled with the inexorable rise in unemployment, suggest to me that populism is again on the agenda of domestic politics.

(The Harris Poll of July 1, 1971, revealed that 62 per cent of white people held the view that “the rich get richer, and the poor get poorer.”)

What might a modern populist movement sound like? What would be its analysis and its priorities? Let's look at a half-dozen issues, six critical domestic problems, and consider specific programs and remedies.

I—Redistribution of wealth and income.

First some boring but obligatory data. According to Gus Tyler's excellent paper “The White Worker,” the bottom fifth of the nation's families in 1968 received 5.7 per cent of the country's income; the top fifth received 40.6 per cent.

This maldistribution has been getting worse, not better. In 1949, Tyler says, the richest 1 per cent of the nation owned 21 per cent of the wealth. In 1956, this rose to 26 per cent. Today the top 1 per cent own more than 37 per cent of all the wealth.

So the first plank in my populist platform would be a demand for radical restructuring of all our tax laws. Currently, the poor and the middle class pay a higher percentage of their income in taxes than do the richest 1 per cent of the population. This system not only perpetrates the inequities, but helps make the white middle class conservative, since they are in fact paying more than their fair share of the bill for welfare, open admissions and other programs they oppose.

The super-rich manage to get richer through many complex exemptions, loopholes, and privileges written into the existing tax laws—capital gains, unreported dividends and interest, expense account gimmicks, sacred cow tax shelters for churches and other institutions, depletion allowances and import quotas. Most giant oil companies pay less than 6 per cent in taxes on their billions in profits, thanks to depletion allowances.

The remedies seem self-evident. Close the loopholes, tax church and foundation property and incomes, end the oil and gas depletion allowance, greatly increase the taxes of the super-rich on inheritances, property, estates, stock transfers, bank and insurance company assets. Concentrations of wealth should not be passed along from generation to generation, to people who have never had to work for their millions, but scream about putting the “welfare chisler” to work.

Again, let me stress I am talking about ending the monopoly the rich have on socialism. The wealthiest citizens, the biggest foundations and the most monopolistic corporations must be made to pay their share. I am in favor of lowering taxes on the policeman from Queens, and the dock worker from Brooklyn, because only on fairness can we build a new majority for justice.

The Liberals at Home—Too Little

A few months ago John Kenneth Galbraith was possessed by a radical idea. The Democratic Policy Council, he thought, should actually have a policy. So along with the Reverend Joe Duffey, Curtis Gans and Gloria Steinem, Galbraith drafted a position paper for the council's approval.

The paper was unique in that it was specific. Among other things, it recommended the abolition of oil depletion allowances and other glaring tax inequities. It urged the “nationalization of the large specialized weapons firms.” And it advocated “a system of family income guarantees.”

But the Policy Council is dominated by Washington lawyers—“locusts who invade the Democratic Party”—in Galbraith's phrase. So the paper was studied, debated, discussed, praised—and finally ignored.

“Nobody wanted to be seen voting against it,” Galbraith says, “so it was just postponed and tabled. Hubert even wanted to appoint a committee to study it.”

The major advocate of the Policy Council's not having a policy was Harry McPherson, who was supposed to be one of the last liberals in LBJ's Alamo. Galbraith's notions were so specific, he argued, that they should be voted on only by experts.

Like Rusk? Like Bundy? Like Rostow? Like Moynihan?

Galbraith, however, plans to persist in asking the Democratic Party to define itself before the next national election.

“The Democrats want to get back into office without ever differentiating their economic policies from Nixon's,” Galbraith says. “If that happens, then we'll just come back to power and put Rusk and Douglas Dillon right back in the Cabinet. That just won't do.”

—J.N.



Liberals

Edward Ford '71

II. Control of the giant corporations.

The biggest corporations have become too powerful, too rich, and are not accountable to anyone. General Motors' annual revenues last year, \$18.8 billion, were larger than the budgets of 100 countries in the world. Chase Manhattan Bank has \$25 billion in assets. Standard Oil has \$19 billion in assets.

The giant corporations help write the tax laws, dominate the regulatory agencies that are supposed to be the independent eyes of the consumers, and they elect senators and make Presidents. Between 1960 and 1970, corporate profits, after taxes, increased by 88 per cent.

These same corporations manufacture unsafe cars that kill people. They also pollute the air and water with carbon monoxide, mercury, lead, and other contaminants. They fix prices, manipulate our appetites, deceive us

in their advertisements, put poisonous chemical additives in our foods, ignore antitrust laws with constant mergers that eliminate competition, and continue to sell us badly made and overpriced products. "Crime in the suites," Ralph Nader calls it.

There are various ways to rectify this situation, some sounding conservative, some sounding radical.

First, I would ban all mergers by any of the 500 largest corporations, break up all existing oligopolies, and actually start putting corporate executives in jail whose companies break antitrust laws and pollute the environment.

Second, I would re-invigorate the federal regulatory agencies. I would make Robert Townsend chairman of the SEC; Nicholas Johnson chairman of the FCC; Bess Myerson chairman of the FDA; journalist James Ridgeway

chairman of the Federal Trade Commission, and Ralph Nader chief of the Justice Department's antitrust division. I would appoint Richard Ottinger and Pete Hamill to the state Public Service Commission. I'd also create a separate court to try business crimes committed in regulated industries.

Third, a good dose of workers' control is needed to democratize decision-making and make sure profits aren't the only corporate value. The staff of *Le Monde* in France and *Der Spiegel* in Germany now have a voice in editorial policy, and it has made for better publications. Worker councils in Yugoslavia seem to be successful. The only way to stop coal miners from dying of the black lung, and textile workers from suffering brown lung, is to empower them to allocate a certain amount of profit for the protection of their own safety and health.

“... Maldistribution of wealth in the U.S. is getting worse, not better. The top one per cent now own 37 per cent of the wealth ...”

And last, I would draft legislation to compel all corporations with Defense Department contracts to set aside 25 per cent of all profits for re-conversion planning. There is no reason why Republic and Grumman can't build housing. And no reason why aerospace and electronics workers should face unemployment if we finally end the endless war.

III. A constructive effort to reduce crime.

The right wing has grown fat on this issue. Careers have been made by politicians who act like they are running for sheriff of Tombstone.

This has happened partly because the liberals and the radicals have abdicated. The New Left has no program to combat crime. Students call cops “pigs” while they holler racist at anyone who calls a Vietnamese a “dink” or a “slope.”

The liberals ignored the very real problems of street crime. They called it a euphemism for racism, until crime became a menace in their own middle-class neighborhoods. Some ambitious liberal politicians behaved shamelessly, joining the mindless search for scapegoats. Hubert Humphrey came out against strict gun control legislation. So did Frank Church and Eugene McCarthy. Senator Tydings of Maryland introduced a preventive detention bill. Adlai Stevenson III named Thomas Foran, the enthusiastic prosecutor of the Chicago Eight, to be honorary chairman of his Senate campaign. John Tunney praised the FBI and damned permissiveness, pot, and pornography in dozens of campaign

speeches in California last autumn. Ed Muskie and Birch Bayh voted for a probably unconstitutional and definitely repressive anti-riot law.

But violent street crime continued to increase in the absence of any constructive legislation. In most places all that was done about crime by those in power was to add more policemen to the force. Policemen, however, do not actually prevent crime, as the “job action” by New York City's police earlier this year helped demonstrate. All they can do, most of the time, is make arrests, after the fact, which in turn only swamp the already inadequate courts and prisons which are underfunded by the law-and-order yahoos and are ignored by the press and reformers.

So the first step I would take to effectively reduce crime (short of eliminating poverty and heroin addiction) would be to give prison reform absolute priority. Eighty per cent of all crimes are committed by recidivists—by men and women who have been arrested before. Jails and penitentiaries are the places where we might actually rehabilitate the individual criminal. But our entire “correction” system is based on the Puritan concept of punishment rather than on rehabilitation. New York City last year spent less than 1 per cent of its \$840-million criminal justice budget on rehabilitation programs. Corrections Commissioner George McGrath requested less money for rehabilitation this year (\$3.2 million) than he asked for last year (\$3.5 million). His new budget sought \$2,000 for libraries, and \$200,000 for consultant fees.

Only through vocational training classes, job training and placement, psychiatric care, half-way houses, reading and writing classes, better probation, parole and work-release programs can we possibly prevent last year's mugger from becoming next week's murderer. We must stop treating criminals like garbage to be dumped as far away as possible, and then forgotten.

IV. Democratize the concentrations of power in the mass media.

This is a classic populist issue, but, as with crime, the left has abandoned it. Vice President Agnew seized on a legitimate injustice and distorted it, yet his essential point is correct: a handful of rich, white individuals do control all the mass media's outlets.

Among daily newspapers today, 1,483 cities have monopoly ownerships, and only 64 have competing ownerships. Only New York, Washington and Boston have three competing dailies. All news is transmitted through national monopolies, the telephone and telegraph systems. There are two centralized news services, and three television networks. In 90 cities, a single monopoly owns both the daily paper and the local television station.

Agnew delivered his fiercest attack on the *Times* and the *Washington Post* in Montgomery, Alabama, where there is a newspaper monopoly which he did not mention. He did not mention that the Newhouse chain owns dailies in Mobile and Huntsville, a television station, an FM station and an AM station in Birmingham, and a CATV franchise in Anniston (and 22 other papers around the country). Nor did Agnew refer to the conservative publishing empires of Hearst and Annenberg, or to the conservative media complex owned by the *Chicago Tribune* that includes the *Daily News* and WPIX in New York. And he neglected to mention Robert Wells, the owner of seven newspapers and four television stations, whom the President has just appointed to the FCC.

The usual liberal criticisms of television tend to concern content rather than access or ownership: less violence, less censorship, better children's programming, more muckraking specials like “The Selling of the Pentagon,” fewer reruns, and equal time provisions that help the Democrats, but not George Wallace or Tom Hayden.

A populist program to redeem television would be based on the concept that the airwaves are owned by the

The Liberals Abroad—Too Much

The Pentagon Papers add only a Balzac-like texture to our understanding of the corruption of liberals in power through the fifties and sixties. The wise men paraded through the pages of *The New York Times*—McNamara, Rusk, Taylor, Rostow, and the Bundy boys—were all appointed by John F. Kennedy, who also gave us Douglas Dillon, John Connally, and LBJ.

The charter for the Vietnam war can be found in JFK's Inaugural Address:

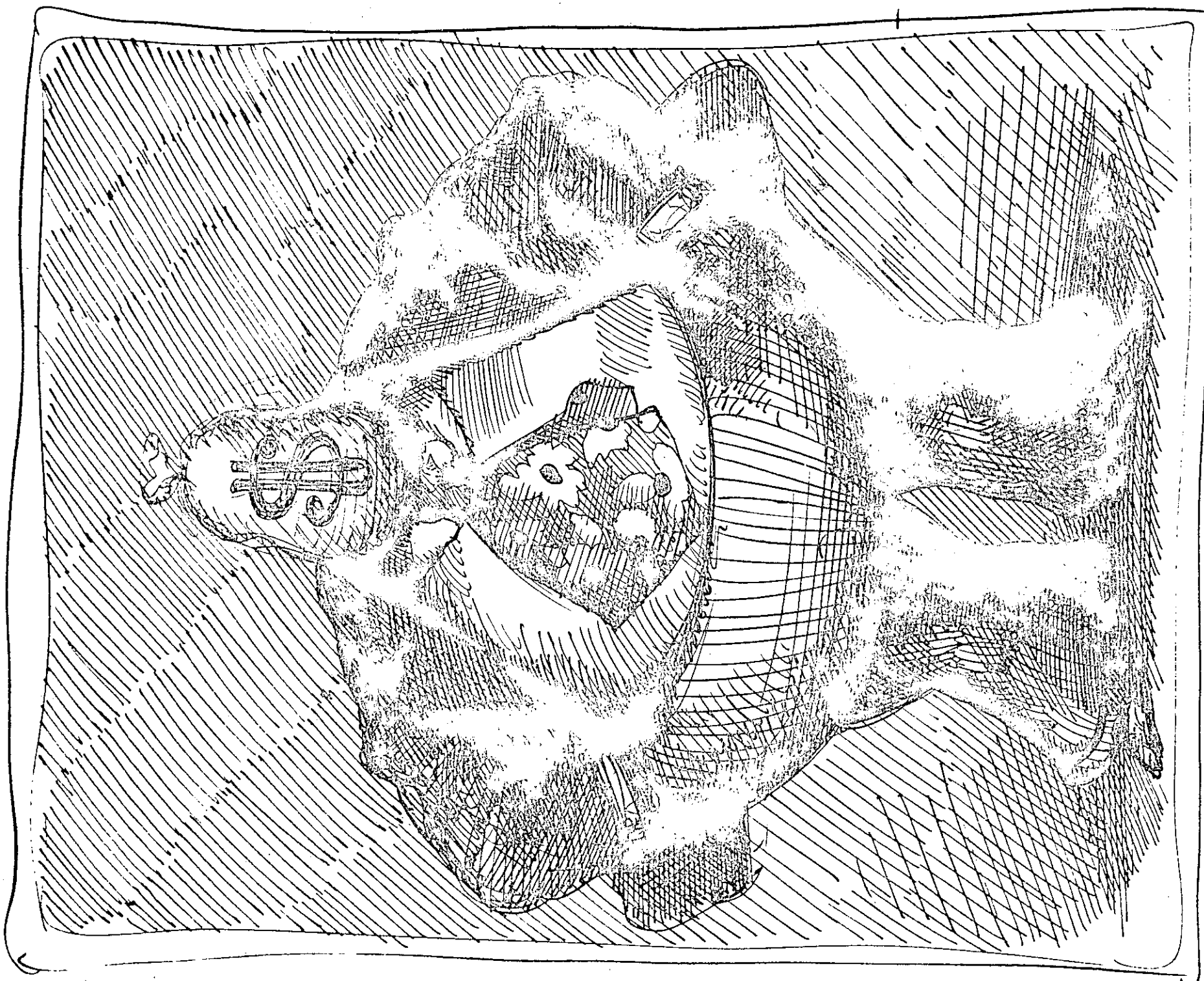
“Let every nation know, whether it wishes us well or ill, that we shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe to assure the survival and the success of liberty.”

The basic lesson of the Pentagon Papers is that liberalism is no protection against murder and lying on a global scale. It merely provides more Orwellian rationalizations.

The final irony of the liberals' war is that we keep rewarding our war criminals: McNamara to the World Bank, Humphrey back in the Senate, Bundy on top of the Ford Foundation, Westmoreland to the Joint Chiefs.

The Berrigan brothers, of course, are safely in jail.

—J.N.



The "Brains" (after Mast)

John and Wood

"...The New Left has no program. Students holler "racist" at anyone who calls a Vietnamese a dink or a slope..."

people, not the corporate broadcasters or the corporate sponsors, and certainly not the government in power at the moment. NBC is just a trustee of the airwaves, GM just a renter of time.

First, we must decentralize ownership by using the antitrust laws to break up the conglomerates that dominate the media. RCA, a major Defense Department contractor, owns NBC, and owns Random House, which owns Pantheon and Knopf. CBS owns Holt, Rinehart and Winston, Columbia Records, Creative Playthings (toys) and the Yankees. The Times Mirror Company owns the *Los Angeles Times*, World Publishing Co., New American Library, *The Dallas Times Herald*, *Newsday* and some CATV franchises.

Citizens must have greater access to television. One way to do this would be to provide a free hour of prime television time every week to any organization of, say, 10,000 people. This would mean that the Fortune Society, block associations, women's groups, the PBA, Health-Pac and community organizations could prepare their own programs.

Other possible reforms: provide federal subsidies for community newspapers; give cable television franchises to indigenous community and civic groups, instead of to conglomerates backed by Time Inc. and Howard Hughes, as Lindsay has done in Manhattan; provide an hour of free air time each week for viewers to rebut or attack programming; require all television stations to make available free and equal time to all candidates during the election season, and refuse to sell time to candidates; develop a television equivalent of WBAI—a nonprofit, listener-owner channel; and perhaps most importantly, give television licenses to local stations owned by blacks, Indians, Eskimos, Polish-Americans, etc., since there are none operating today.

In short, create diversity through competition in programming and broad citizen participation.

V. Establish a system of national health insurance.

Only the very rich can buy satisfactory health care. The poor can't afford doctors, and every working class family knows that one serious illness can wipe out its savings.

New York City has a segregated two-class hospital system: private hospitals with modern technology and excellent care for the affluent, and dirty, rundown municipal hospitals for the poor.

Life should not be for sale. Medicaid

and Medicare have failed to remedy the inequities. They don't help the almost-poor, and they have inflated doctor and hospital costs. The chief beneficiaries of these programs have been the big pharmaceutical companies, the insurance companies like Blue Cross, and the hospital-supply companies—the medical-industrial complex. Last year, despite the economic chaos, the drug industry spent \$800 million on public relations and advertising and still showed a 10 per cent increase in profits.

The short-run answer is one class of medical care under national health insurance. A Harris poll in April showed that more than 60 per cent of the country wants it. And national health insurance would most directly help those families who are employed but don't qualify for Medicaid and can't afford private insurance.

Ted Kennedy has introduced, with fifteen co-sponsors, the 1971 Health Security Act (S3 and H.R. 22). This legislation would provide comprehensive protection for every citizen, including unlimited hospitalization, surgery, preventive and ambulatory care, unlimited nursing home care, comprehensive dental care for all children under fifteen, and cover the cost of all prescription drugs. These benefits would be financed under Social Security, with the employee contributing 1 per cent out of his salary, and the employer and the federal government each paying 3 per cent. (Nixon's proposals in the field would just amount to a windfall for the insurance industry.)

Until Kennedy's bill is enacted, the poor will get sick, the sick will get poor, and the medical-industrial complex will continue to get rich.

VI. Curb the power of the utilities.

Con Edison is a monopoly. In exchange for this special privilege the company provides its consumers with blackouts, brownouts, power cutbacks during the summer and pollution of the air and water. (Con Ed is responsible for 40 per cent of the sulphur dioxide we inhale.) It also provides rate increases, exaggerated bills, and shuts off service if you complain.

The New York Telephone Company is also a monopoly. For that special status the company gives consumers no dial tones, wrong numbers, busy signals for information operators, pay phones that don't function and don't return your dime, and exaggerated bills. It also demands cash deposits from poor people, cooperates with the FBI in

illegal taps on private citizens, spends millions each year for newspaper ads and public relations, doesn't answer letters of complaint, and bills customers for wrong numbers. The only stockholder in the New York Telephone Company is AT&T, one of the biggest Vietnam war contractors. Last year, despite deteriorating local service, the telephone company paid AT&T \$202.7 million in dividends. In February of this year the telephone company asked the PSC to approve a new 29 per cent rate increase.

The usual consumer tactics—writing letters to legislators, trying to reform the PSC, not paying bills—have been ineffective.

So the answer, then, is to go to the root of the problem and end their monopoly status.

The most realistic way to accomplish this would be to municipalize them. This is the way it works in Los Angeles, and their utility rates are about half of New York's. City ownership would also pinpoint accountability. The mayor would feel compelled to improve service because the voters would hold him responsible. With a private monopoly, there is no accountability or retribution for ineptness.

The programs suggested here are not meant as a fixed blueprint. They merely try to suggest redistribution of wealth and power as the pivot of social change.

These ideas will not prevail without considerable social conflict. Their implementation will not be guaranteed merely by electing a Good Guy to the White House in 1972. They can triumph only as part of a larger movement that transcends party and personality and doesn't wait for national elections to energize itself.

The purest avatars of the movement I am talking about are organizers like Ralph Nader, Cesar Chavez, Jesse Jackson and Saul Alinsky. But there are also politicians who have advocated populist programs in the last three years, and who have won elections; Governor Gilligan in Ohio; Senators like McGovern, Harris, Kennedy, Proxmire and Hughes; Congressmen like Wright Patman (when the Republicans are in power), Dellums, Abzug, Reuss, Badillo, Drinan and Conyers; municipal figures like Abrams and Kretchmer.

All I argue is that these ideas are politically feasible, and if translated into policy, they would help a majority of people live a more humane life. That is all politics can do.

John Chamberlain

Arraigning the TV Networks

VICE PRESIDENT Spiro Agnew has hurt the credibility of the big TV networks with his what-for lectures, but everything he has said will pale into relative insignificance next week when a block-buster book, "The News Twisters" (published by Nash of Los Angeles), hits the stands. Written by Edith Efron of TV Guide, whose interview with commentator Howard K. Smith surely tipped Agnew off to the vulnerability of the networks' news coverage, the book presents evidence that the TV reporting of the 1968 campaign was just about as one-sided as a match between Muhammad Ali and my 7-year-old granddaughter. I am not indulging in hyperbole when I say this; I am merely recognizing the irrefutable nature of Miss Efron's arraignment.

The girl has left nothing to chance. What she did was to set three tape recorders to work for seven weeks during the autumn of 1968, transcribing all the early evening ABC, CBS and NBC network news shows. The big issue of the day was, of course, the Nixon-Humphrey presidential race. But there were various subissues, such as the Vietnamese War, the "kids," racism, the black militants, and the WASPS (or white Anglo-Saxon Protestant middle class). Taking some 100,000 words per network, including what the reporters, the politicians and a gaggle of public personalities had to say, Miss Efron started counting, breaking everything down into "for" and "against."

The tabulations leave a telltale smear of egg over the faces of practically everyone connected with TV news policy. Nor will anyone from CBS' Frank Stanton on down to his office boy be able to issue credible denials. The reason is that Miss Efron has included her taped stuff in her book as appendix matter. The reader, if he so chooses, can do his own counting. It's all out in the open.

IN A SHORT column I can only summarize what Miss Efron proves. President Nixon, of course, had his own share of the prime time, and so did the Republican-Conservative politicians. But the point is that the network reporters and editorialists were virtually unanimous in assaulting the mind, and morality and the character of Richard Nixon. As Miss Efron shows, the network reporters in alliance with the Democratic-Liberal politicians portrayed Hubert Humphrey "as a talkative Democratic Saint studded over with every virtue known to man." Nixon, on the other hand, was pictured not as a human being but as "a demon out of the liberal id."

This is Miss Efron's qualitative evaluation, and her picturesque words may seem loaded, but they take off from that murderous quantitative count of the appendix material.

The count on the 1968 subissues is equally devastating. Liberals emerge from the tabulations of the TV reporting and editorializing as good people without race prejudice. Conservatives, on the other hand, are bad, and crawl with anti-Negro phobias. America is a bad country that oppresses blacks. The blacks who react violently are justified in attacking whites. Leftists are funny people and harmless. The "kids" on the campuses have "noble motivations and moral goals," even when they are burning graduate school dissertations and throwing the deans downstairs.

Again, there is much, much more to this arraignment than Miss Efron's own say-so. It is the quantitative tabulation of the appendix stuff that uncovers the network "party line."

I HAVE ONLY scratched the surface in this effort to present what John F. Kennedy would have called "the thrust" of Miss Efron's book. Incidentally, her count on the taped reporting shows that it is not only the conservatives and the middle-class whites who got a raw deal on the news shows of September-October, 1968. Negroes who dissociated themselves from the Black Panthers were left out in the cold. So, for that matter, were those members of the New Left who had philosophical reasons for following such prophets as Herbert Marcuse and Paul Goodman. Counting from those tapes, Miss Efron shows that TV reporting and editorializing have been incapable of departing from the crudest and laziest sort of stereotypes.

The interesting thing is that Miss Efron comes from within the "Establishment." She has been, at various times, a staff writer on the New York Times Sunday Magazine, managing editor of the special editorial departments of Look magazine, and Central American correspondent for Time and Life magazines. In pre-"Papa Doc" Duvalier times she organized the first journalism school at the University of Haiti. True, she once studied in a course I gave at the Columbia University School of Journalism in the early forties. But I was a liberal then, albeit an evolving character, so I can't be accused of making her a conservative. As a matter of fact, her book is not ideological at all; it is simply honest reporting of what can be done within the present "liberal" ethos to evade the FCC "fairness doctrine" while giving lip service to it.

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REVIEW and OUTLOOK

Times Have Changed

"There is a school of thought that our economy has changed to such an extent that the free-market economy will no longer work well enough. In order to achieve stability, this school says, government must do much more to manage the private sector."

So said George P. Shultz, director of the Office of Management and Budget, in a recent speech. Times clearly have changed, he conceded, but the changes don't mean that the nation must abandon reliance on a free market.

For one thing, the changes haven't been as drastic as some of the doom-sayers claim. Mr. Shultz questions, for example, whether the business community's market power has expanded as much as some of its critics contend.

Actually, he says, "there is little evidence that the power of business has grown—has become more concentrated or monopolistic—in recent times. Studies of horizontal integration, which use concentration ratios and rates of return, find little evidence of a secular increase in this indicator of monopoly. Likewise, a study of vertical integration, which uses sales to value-added ratios, finds no evidence for a secular trend."

A few years ago, Mr. Shultz comments, fears were expressed that the newly fashionable conglomerates soon would come to dominate the U.S. economy. Why hasn't it happened?

"Antitrust enforcement was a factor," Mr. Shultz remarks, "but the free market itself provided the main cleansing force. The trend in business today is toward more competition, not less, and the successful conglomerates have often been the agents of this sharper competition."

Though Mr. Shultz doesn't go into it, some businessmen and others believe major changes have been occurring in international markets. Other nations (Japan is usually cited as No. 1 villain) don't play by free-market rules but instead impose all sorts of restrictions on imports and foreign investment.

As a counter-measure, say these businessmen, the U.S. should do many of the same things, imposing import curbs and other restraints on the working of private markets. International economies thus would be converted

into a sort of tit-for-tat exercise.

No one questions that other countries have sinned against free-market principles. The U.S., for that matter, is hardly blameless, with its existing curbs on imports of oil and other products and its barriers to the free flows of international capital.

Yet when an economic setup is in trouble, domestically or internationally, it hardly seems the wisest reaction simply to eliminate the system—replacing a free market with one that is totally managed. A more sensible step would appear to be to seek to move the system toward greater freedom.

In the international sphere the U.S. for years had been leading the world toward increased trade freedom. If the U.S. now joins with protectionists elsewhere, totally managed world markets don't lie too far down the road.

No nation will really benefit from that sort of approach. Controls and red tape will limit total trade, and thus economic activity and income. For every advantage an individual industry gains in this warfare, one or more industries in the same country will be damaged by retaliatory actions of other nations.

In the domestic economy there will be a continuing need for wise antitrust enforcement. As Mr. Shultz says, moreover, "government does have the responsibility to remove artificial props to wages and prices when the free market system is abused."

Mr. Shultz doesn't expand on that thought, but one logical move would have been elimination, and not merely temporary suspension, of the Davis-Bacon Act that requires the government to support construction industry wages. The existing import restrictions, the clumsy farm price support system, inefficient transportation regulation—the list of artificial federal props is a long one.

We have no way of knowing when or whether the government will move against any item on the list. Yet Mr. Shultz clearly does see that, in these changing times, the proper direction for movement is not toward increased federal control but toward greater freedom.

Bank Takes Attacks Seriously

(c) New York Times Service

LOS ANGELES — A visitor asked a friend the other day how to find the Bank of America headquarter. "That's east," came the reply. "Just follow the smoke."

Officials at the Bank of America, the largest nongovernmental bank in the world, do not find such remarks funny. In February 1970 one of their branches was burned during riots in the student community of Isla Vista.

Since then, branches have been attacked 39 times, 23 times with explosive devices and 17 times with fire bombs or by arsonists.

"It's a damn serious problem, because of the frequency," said P.E. Sullivan, an executive vice president of the bank, in an interview. "If it continues at this pace, it's bound to have an effect on our customers and employees."

The bombings also highlight a barrage of criticism that has been aimed at bank policies over the last year. Most of the critics disavow the bombers, and think the attacks only di-

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vert attention from activities that they say are "immoral" for a bank.

The physical assault on the Bank of America is a part of a broader pattern in California. Gov. Ronald Reagan said recently that there were 4,443 bomb threats during the last 10 months of 1970, and several incidents in which a bomb was actually found.

Targets ranged from Los Angeles City Hall to buildings at Stanford University to a Surban supermarket. But the Bank of America is the focus. Why?

After Isla Vista, one student was reported as saying: "The bank was the biggest capitalist establishment around, an example of American capitalism which is killing people around the world and in the United States."

Bank officials say this visibility and notoriety remain the best explanations. Posters featuring the bank burning at Isla Vista are still big sellers in campus bookstores. Officials also cite the "copy cat" syndrome. The only person arrested for any of the bombings was a 16-year-old youth from Mill Valley who told the police that "it seemed like the thing to do."

Most of the devices have been crude pipe bombs stuffed with gunpowder. All have been set at night, and no one has been injured. The bombers seem to share a premise that is current among some radicals: Violence against property is all right, but not against people.

At the same time, the Bank of America has been attacked verbally. The Center For New Corporate Priorities, organized by students at the University of Southern California, has charged that the bank supports large farmers — and thus represses farm workers — finances economic imperialism abroad, and refuses to help minorities at home.

The center's major complaint, however, is the bank's involvement in Vietnam.

Bank officials have many times "specifically rejected the charge that we as an institution support and profit from the war in Vietnam." The bank also distributes personal statements by its officers who oppose the conflict.

Sullivan acknowledged, however, that "we finance many companies who produce goods and material used in the war." He added that "we have a role in letting our opinions be known about the war, but we shouldn't let those opinions cloud our banking decisions."

The root of the conflict between the bank and its critics is not over facts, however, but over premises. The bank continues to contend that "banking decisions" should be made, as Sullivan put it, on the basis of "economics, not politics." Profit is still its goal.

To Ed Scanlon, of the Center for New Corporate Priorities, their attitude only "feeds the status quo" and does nothing to alter basic power relations in the society.

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WASHINGTON (AP)

Cu

The Passion That Rules Ralph Nader



**Behind all those good works
in the name of consumerism is a
harsh and angry prophet.
His real target is corporate power.**

by Richard Armstrong

On a recent visit to Marymount College in Arlington, Virginia, Ralph Nader arrived at the school gymnasium an hour late. But he then proceeded to pacify an overflowing crowd of restless students—and earn a lecture fee of \$2,500—by denouncing America's big corporations in venomous language. Afterward one question from the audience brought a rousing and spontaneous burst of applause. When, the questioner asked, did he plan to run for President?

A slightly more measured assessment of the Nader phenomenon came from Bess Myerson, New York City's commissioner of consumer affairs, when she introduced him as star witness at a recent hearing on deceptive advertising. "Mr. Nader," she said, "is a remarkable man who, in the last six years, has done more as a private citizen for our country and its people than most public officials do in a lifetime."

The remarkable thing about this tribute is that it is

literally true. In the seven years since he moved to Washington from Winsted, Connecticut—without funds and with a narrow base of expert knowledge in a single subject, automobile safety—Nader has created a flourishing nationwide movement, known as consumerism. He is chiefly responsible for the passage of at least six major laws, imposing new federal safety standards on automobiles, meat and poultry products, gas pipelines, coal mining, and radiation emissions from electronic devices. His investigations have led to a strenuous renovation at both the Federal Trade Commission and the Food and Drug Administration. And if the quality and convenience of American life do not seem dramatically improved after all that furious crusading, Nader can point to at least one quite tangible result. Last year, for the first time in nine years, traffic fatalities in the U.S. declined, to 55,300 from 56,400 in 1969. Unless the decline was a fluke (and officials at the Highway Traffic Safety Administration do not think it was), then for those 1,100 living Americans, whoever they may be, Nader can be said to have performed the ultimate public service.

More than ten Kremains

And yet, despite all this, it is easy to conclude after a conversation with Nader that he is not primarily interested in protecting consumers. The passion that rules in him—and he is a passionate man—is aimed at smashing utterly the target of his hatred, which is corporate power. He thinks, and says quite bluntly, that a great many corporate executives belong in prison—for defrauding the consumer with shoddy merchandise, poisoning the food supply with chemical additives, and willfully manufacturing unsafe products that will maim or kill the buyer. In his words, the law should “pierce the corporate veil” so that individual executives could be jailed when their companies misbehaved. He emphasizes that he is talking not just about “fly-by-night hucksters” but the top management of “blue-chip business firms.”

The lawyers who provide legal cover for all these criminal acts are, to Nader, nothing but “high-priced prostitutes.” As for the advertising profession, Nader recently served up the following indictment: “Madison Avenue is engaged in an epidemic campaign of marketing fraud. It has done more to subvert and destroy the market system in this country than ten Kremains ever dreamed of.” With the certainty of the visionary, Nader would sweep away that shattered market system and replace it by various eccentric devices of his own, such as a government rating system for every consumer product.

If, on the one hand, Nader has advanced the cause of consumer protection by his skillful marshaling of facts in support of specific reforms, he has, on the other hand, made reform more difficult through his habit of coating his facts with invective and assigning the worst possible motives to almost everybody but himself. By some peculiar logic of his own, he has cast the consumer and the corporation as bitter enemies, and he seems to think that no reform is worth its salt unless business greets it with a maximum of suspicion, hostility, and fear.

Nader is a strange apparition in the well-tailored world of the Washington lawyer. His suits hang awkwardly off his lanky frame, all of them apparently gray and cut about a half size too large. His big brown eyes in their deep sockets have a permanent expression of hurt defiance, and before a crowd he blinks them nervously. The eyes, the

Research associate: Angela Haines

bony face, and a small, set chin give him, at thirty-seven, the look of an underfed waif.

Nobody has been able to explain the deep personal anger that erupts when Nader begins to speak about corporations. He himself simply denies that he is anti-business. “People who make that charge are escalating the abstraction,” he told an interviewer recently, his long hands clasped together, his brown eyes flashing. “They don’t dare face the issues.” But anger of some kind is unmistakably there. It seems to spring out of some profound alienation from the comfortable world he sees around him, and perhaps dates back to his early days in the conservative little town of Winsted, where he was something of an oddball, the son of a Lebanese immigrant, the boy who read the Congressional Record. He recalls proudly that his father, who kept a restaurant and assailed customers with his political views, “forecast the corporate take-over of the regulatory agencies back in the 1930’s.” Princeton and Harvard Law School trained Nader’s brilliant mind, but their social graces never touched his inner core. There seems something of the desert in him still, the ghost of some harsh prophet from his ancestral Lebanon.

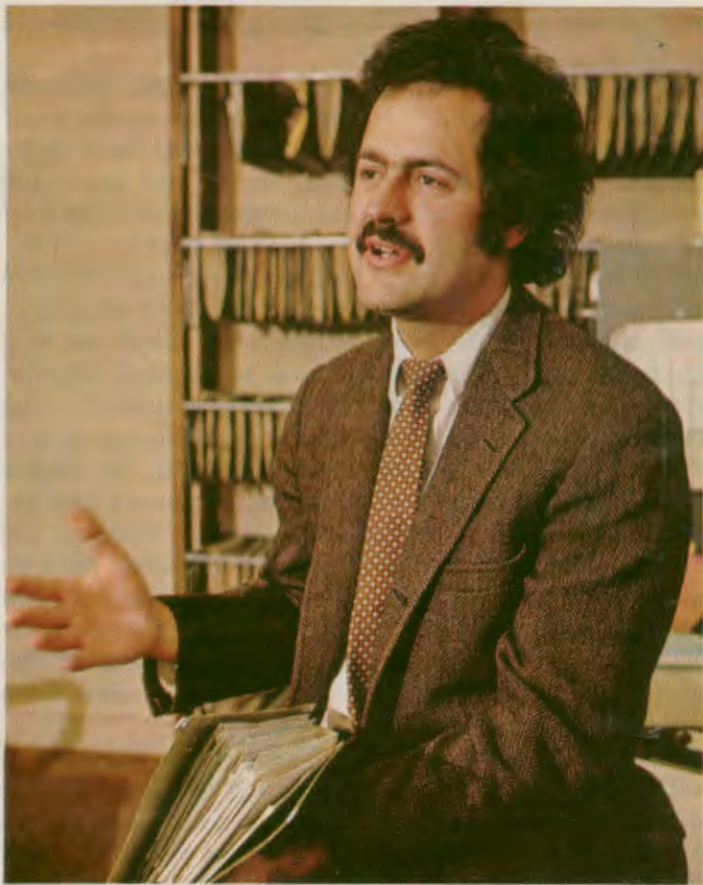
According to one old friend, Nader has always had a conspiratorial view of the world, and when General Motors put private detectives on his trail in 1965 just before the publication of *Unsafe at Any Speed* that view was strongly reinforced. “He thought somebody was following him around,” says the friend, “and then, by gosh, somebody *was* following him around.” Apparently, at the time, Nader was convinced that G.M. planned to have him bumped off. He still moves about Washington in great secrecy from one rendezvous to the next.

The fifth branch of government

In his role as scourge of the regulatory agencies, Nader is aggressive and ill-mannered as a matter of calculated policy. “Rattle off a few facts so they will know you can’t be bluffed,” he tells his teams of young investigators setting out to interview government officials. “Get on the offensive and stay there.” Says Lowell Dodge, who runs Nader’s Auto Safety Center: “If somebody is messing up, Ralph wants to embarrass them.”

But Nader can be an engaging fellow when he chooses. He takes care to maintain good relations with Washington journalists—parceling out news tips with an even hand—and many of them pay him the ultimate tribute of calling him the best reporter they know. To these men he seems to serve as a sort of ghost of conscience past, a reminder of investigations not pursued and stables left uncleansed. Both reporters and professional politicians find him extremely useful. “Nader has become the fifth branch of government, if you count the press as fourth,” says a Senate aide who has worked with Nader often in drafting legislation. “He knows all the newspaper deadlines and how to get in touch with anybody any time. By his own hard work he has developed a network of sources in every arm of government. And believe me, no Senator turns down those calls from Ralph. He will say he’s got some stuff and it’s good, and the Senator can take the credit. Any afternoon he’s in town you still see him trudging along the corridors here with a stack of documents under his arm, keeping up his contacts.”

What Nader gets out of the intercourse is power—not the trappings but the substance—more of it by now than most of the Senators and Congressmen on whom he calls.



A running battle with Detroit is led by Nader lieutenant Lowell Dodge, thirty, a graduate of Hotchkiss, Yale, and the Harvard Law School. Among his soldiers are the young people below. Marc Clapp, in his fourth year of the work-study program at Antioch College, does research at \$30 a week. Debra Seeger attends George Washington University, serves as a part-time volunteer clerk.



When an important bill is pending he is quite capable of playing rough, threatening to denounce a Representative to the press unless he goes along on a key amendment. "Does Ralph like power?" The Senate aide laughed at such a naive question. "Good gracious, yes. He loves it." Compared to other powerful men in Washington, Nader enjoys a rare freedom of action, flourishing as a sort of freebooter who is able to pick his targets at will, unconstrained by an electorate or any judgment but his own. "You will find sensitive people around town who are saying it's time to take a second look at this guy," says the Senate aide. "There are people who wonder whether he ought to be the final arbiter of safety in autos or in the food supply. Nader has something the companies don't have—credibility—especially with the press. There is a danger that people will be afraid to go up against him for that reason alone."

Regrets to David Susskind

By any measure, Nader's power is still growing. He remains absolute master of his own movement, but he is no longer alone. "When I think of all the lean years Ralph spent knocking on doors—" says Theodore Jacobs, who was Nader's classmate at both Princeton and Harvard Law School and now serves as a sort of chief of staff. Jacobs had just concluded a telephone call that, from his end, had consisted only of various expressions of regret. "That was Susskind. He's got a new show, he wants Ralph, and I had to turn him down. Ralph hates New York—all that traffic and pollution—and I can't get him up there unless it's imperative. I spend a lot of my time saying no. Among other problems, he's got two people on his tail right now who are writing full-length biographies. He has to husband his time. He's down for the *Today* show next Tuesday, but that's right here in town. If there is an important bill pending in committee and they need some input, he'll be there. He'll duck anything else for that."

Jacobs presides, loosely, over a modern suite of offices in downtown Washington housing the Center for the Study of Responsive Law. This is home base for the seven most senior of Nader's "raiders" and is one of the three organizations through which Nader now operates. The other two are located a few blocks away: the five-man Auto Safety Center and the Public Interest Research Group, staffed by twelve bright young graduates of top law schools, three of them women. In addition, there are the summertime student raiders, who this year will number about fifty, only one-quarter as many as last year. The program is being cut back, Jacobs explains, because the students are a mixed blessing, requiring a good deal of nursemaid-ing by the full-time staff. "But we still think it's useful for the regulatory agencies to see a fresh batch of faces wafting through."

One of the center's main functions is to handle a flood of crank calls. "No, I'm afraid Mr. Nader isn't here," says the young girl at the switchboard. "Can you tell me what it's about?" After a protracted conversation, she explains with a grin: "He said it was something so big he didn't dare put a word on paper. No name either, but still he wants to speak to Ralph." Nader drops by for a few minutes every day or so, and the other raiders emulate his casual example; by the switchboard, message boxes improvised out of brown paper are filled to overflowing with notices of calls never returned.

The Center for the Study of Responsive Law is tax-

exempt, supported by well-known foundations, such as Field, Carnegie, and Stern, and by wealthy benefactors such as Midas muffler heir Gordon Sherman and Robert Townsend, author of *Up the Organization*. (Townsend gave \$150,000.) On a budget of \$300,000 a year, the center is able to pay its raiders a stipend of up to \$15,000 each. "A far cry from five years ago," says one of the veteran raiders, Harrison Wellford, thirty-one, "when Ralph was being trailed by G.M. gumshoes and we would meet at night at the Crystal City hamburger joint on Connecticut Avenue to compare notes. We'd work our heads off and then get gunned down by someone from Covington & Burling [a large Washington law firm] who had been on an issue for a corporate client for ten years."

Consumers Union is the biggest single donor to the Auto Safety Center, which operates on a slender budget of \$30,000 a year. The Public Interest Research Group, or PIRG as it is called, is Nader's own nonprofit law firm, and he pays all the bills out of his own pocket, including the stipends of \$4,500 a year to the twelve young lawyers. It is an irony that must warm Nader's heart that the money comes out of the \$270,000 he netted in the settlement of his lawsuit against G.M. for invasion of privacy. Since PIRG's budget is \$170,000 a year, Nader is obviously going through his windfall at an unsustainable clip.

Consciousness III doesn't give a damn

Nader calls his own organization "a big joke really, a drop in the bucket compared to the size of the problem." It is in his nature to conceive of the enemy as being enormous, pervasive, and exceedingly powerful. "How many public-interest lawyers would it take to oversee the Pentagon? A hundred? Multiply that by the number of departments and agencies. This country needs 50,000 full-time citizens, including 10,000 public-interest lawyers. And I could get that many applicants if I had the money." Last month Nader began a campaign to raise \$750,000 from students in two states, Connecticut and Ohio, where the money would be used to set up Nader-like centers for investigating state and local government. Students in two other states, Oregon and Minnesota, have voted to donate \$3 each from their college activities funds to finance similar organizations. Nader hopes that one plan or another will spread across the country.

To the young, Nader is a hero of great stature. Thousands of students in law, medicine, engineering, and every other field want to "conform their careers and their ideals," as he puts it, by going to work for him. They are the mass base of his movement, and he is able to pick and choose among them for his staff. (They say on campus that getting a job with Nader is "tougher than getting into Yale Law School.") And yet this appeal is in many ways hard to fathom. Nader has no use at all for the "counterculture," and he abhors drugs. "There's a conflict between living life on a level of feeling on the one hand and Ralph's product ethic on the other," admits Lowell Dodge. "To produce, to have an impact—that's what Ralph admires. Consciousness III doesn't give a damn about the FTC. Ralph does." Dodge thinks Nader is growing ever stronger on campus as revolutionary ideas begin to fade. "There's more interest in change *within* the system, and Ralph is the most effective example of an agent for change."

Nader hectors students mercilessly about their public duties, about their "anemic imaginations," about their "thousands of hours on the beach or playing cards." And

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Notches on Nader's Gun

THE AUTOMOBILE. An auto-safety enthusiast while at Princeton and Harvard Law School, Nader went to Washington in 1964 to work on his pet subject as an aide to Daniel Patrick Moynihan, then Assistant Secretary of Labor, who happened to be interested in a field far removed from his assigned duties. Bored with office routine, Nader quit the following year and wrote *Unsafe at Any Speed* in ten weeks. During the Senate hearings on auto safety, he came out a clear winner in a much-publicized confrontation with James Roche, president (now chairman) of General Motors. The publicity assured passage of the Motor Vehicle Safety Act of 1966, establishing a government agency to set mandatory vehicle-safety standards, of which there are now thirty-four.

UNSANITARY MEAT. For his second campaign, Nader found ready-made evidence in a study done by the Department of Agriculture of state-regulated packing plants, considered to be in intrastate commerce and so not covered by federal law. Many of the plants were filthy and rodent infested, but apparently nobody of any consequence had ever bothered to read the study's report. Nader did. The result was the Wholesome Meat Act of 1967, giving states the option of bringing their inspection programs up to federal standards or having them supplanted by federal inspection. In 1968 the provisions of the act were applied to poultry products.

FEDERAL TRADE COMMISSION. A team of student raiders assigned by Nader to the FTC in 1968 found one official at the agency literally asleep on the job, others frequenting nearby saloons during working hours, and still others who seldom bothered to come to work at all. President Nixon commissioned a study of the FTC by an American Bar Association panel, which confirmed the major findings of the Nader report: low morale, lack of planning, preoccupation with trivial cases and timidity in pursuing important ones. Outcome: new faces and new vigor at the FTC.

FOOD AND DRUG ADMINISTRATION. Student raiders studying the FDA in the summer of 1969 compiled evidence on two important regulatory blunders: approval of cyclamates and monosodium glutamate for unrestricted use in the food supply. Alerted by the raiders, the news media covered both stories with unrestrained enthusiasm until the FDA banned cyclamates from soft drinks and manufacturers voluntarily stopped putting monosodium glutamate in baby food. In December, President Nixon fired the three top officials at the FDA.

OTHER DOINGS. Legislation inspired by Nader: Natural Gas Pipeline Safety Act (1968), Radiation Control for Health and Safety Act (1968), Coal Mine Health and Safety Act (1969), Comprehensive Occupational Safety and Health Act (1970). Published reports: *The Chemical Feast* (on the FDA); *The Interstate Commerce Omission* (it recommends abolishing the ICC); *Vanishing Air* (a critical look at air-pollution-control laws and industry compliance); *What To Do With Your Bad Car* ("an action manual for lemon owners"); *One Life—One Physician* (on the medical profession). Reports in progress on: the Department of Agriculture, nursing homes, water pollution, Du Pont, First National City Bank of New York, the Washington law firm of Covington & Burling, land-use policies in California, supermarkets, and "brown lung" disease in the textile industry.

The Passion That Rules

Ralph Nader *continued from page 147*

they seem to love it. "Suppose students would engage in one of history's greatest acts of sacrifice and go without Coke and tobacco and alcohol, on which they spend \$250 each a year?" he asked a student audience at Town Hall in New York. "They could develop the most powerful lobby in the country. Write to us! We'll tell you how to do it." Hands dived for pens as he called out his address in Washington.

It is possible to question, nevertheless, whether this enthusiasm would survive a close association with Nader. Although most of the members of his full-time staff plan to stay in public-interest legal work, many of them talk with enthusiasm about the day when they will be leaving Nader. One reason, of course, is money. "On \$4,500 a year, it's tough," says Christopher White, one of the young lawyers at the Public Interest Research Group. And then these young people are blither spirits than Nader and have a spontaneity and graciousness he lacks. Although they refrain from criticizing him directly, the picture that emerges is of a boss at least as dictatorial as any they would find in a private law firm. "The emphasis is on production," one of them says. "Ralph thinks that if a brief is 90 percent right, it's a waste of time to polish it." Nader tells them that a work week of 100 hours is "about right." He lectures them about smoking, refuses to ride in their Volkswagens, and never has time to waste socializing. Lowell Dodge got a call from Nader last Christmas Eve, but only because Nader had a question to ask about work in progress.

The warmth and empathy so important to the young are not to be found in any relationship with Nader. Robert Townsend's daughter Claire, a pretty blonde student at Princeton, says with unblushing candor that she became a raider last summer partly because "I had a terrible crush on Ralph. All the girls have crushes on Ralph." But Nader apparently never has crushes on them. He still lives monk-like in a rented room. His most pronounced concession to cravings of the flesh comes in appeasing a voracious although picky appetite. He is leery of most meats but often tops off a meal with two desserts. It is somehow typical of the man that when the soon-to-be-famous blonde detective tried to pick him up, back during his fight with G.M., she found him in a supermarket buying a package of cookies.

Trying to find free enterprise

What young people admire in Nader is a dark and uncompromising idealism, coupled with a system of New Left economics that he is able to shore up with all sorts of impressive-sounding facts. They think he has got the goods on "the system." And he is completely free of any humdrum sense of proportion. A conversation with Nader makes the consumer society sound as gory as a battlefield: motorists "skewered like shish kebab on non-collapsible steering wheels"; babies burned to death by flammable fabrics improperly labeled; a little girl decapitated because a glove-compartment door popped open in a low-speed collision; "thousands of people poisoned and killed every year through the irresponsible use of pesticides and chemicals."

The corporate criminals responsible for this slaughter always go unpunished. "If we were as lenient toward individual crime as we are toward big-business crime we would empty the prisons, dissolve the police forces, and subsidize the criminals." The regulatory agencies are "chattled to business and indifferent to the public," and Congress is "an anachronism, although a good investment for corpora-

tions." As for the market economy, it is rapidly being destroyed by the same corporate executives who are always "extolling it at stockholder meetings."

"Where is the free-enterprise system?" Nader asks, a sly smile lighting up his face. "I'm trying to find it. Is it the oil oligopoly, protected by import quotas? The shared monopolies in consumer products? The securities market, that bastion of capitalism operating on fixed commissions and now provided with socialized insurance? They call me a radical for trying to restore power to the consumer, but businessmen are the true radicals in this country. They are taking us deeper and deeper into corporate socialism—corporate power using government power to protect it from competition."

Down to zero profits

Nader is not exactly the first social critic to be astonished at the functions—and malfunctions—of a market economy, and to render them in overtones of darkest evil. But sinister tales of this sort, while they go down well enough with college crowds, throw no light at all on the issues Nader claims to want to face. It is true enough that unless consumers themselves are concerned about product safety, corporations have no particular bias in its favor. This is due, however, not to corporate depravity but rather to the economics of the case: an extra margin of safety is an invisible benefit that usually increases costs. When products, automobiles for example, are too complicated for consumers to make independent judgments as to safety, government must usually set standards if there are to be any—and it is a measure not just of business power but also of consumer indifference that safety standards for autos came so late.

Government must also counter the ceaseless efforts of corporations to escape from the rigors of competition through the acquisition of monopoly power, through tariff protection, import quotas, and the like. Granted that government hasn't done a very good job of this. All the same, most corporate executives, obliged to immerse themselves daily in what feels very much like competition, would be surprised to learn from Nader how free of it they are supposed to have become.

Given Nader's own diagnosis, it might be thought that he has been spending his time battling restraints on trade, but this is far from the case. He has instead been devoting his considerable ingenuity to devising new schemes for regulating and "popularizing" business, by such means as a federal charter for all corporations, "which would be like a constitution for a country," publication of corporate tax returns, and the election of public members to corporate boards. He would require an attack on pollution "with maximum use of known technology and down to zero profits."

Nader denies any desire to take the country into socialism, and in this he is apparently sincere. One of his raiders, Mark Green, told the *New York Times* recently that when Nader thinks of socialism "he doesn't think of Lenin but of Paul Rand Dixon," former Chairman of the FTC and, in Nader's mind, the quintessential bureaucrat. Yet Nader seems never to have grasped that when he talks about operating on "zero profits" he is talking not about a market economy but about a confiscatory, state-imposed system that would inevitably bring in train a host of other controls.

In his "consumer democracy" of the future, as he outlines it, everybody could order business around. Tightly controlled from above by the federal government, business would be policed at the local level by what would amount to consumer soviets. Nader thinks it will be easy to organize them, by handing out application forms in the parking lots of shopping centers. "Then collectively you can bargain with the owners of the center. You can say, 'Here are 18,000 families. We

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The Passion That Rules

Ralph Nader *continued*

want a one-room office where we can have our staff within the center that will serve as a liaison between us and you. And we're going to develop certain conditions of our continuing patronage on a mass basis.' It might take the form of banning detergents with phosphates, improving service under a warranty, or holding down prices." Nader's product-rating system, including a telephone data bank for easy reference, would force manufacturers, he says, to abandon their present policy of "severe protective imitation" for one of "competition on price and quality." (Nobody has been able to explain just how such a system would make the millions of decisions the market makes now, many of them involving subjective judgments as to quality or value.)

While otherwise holding business in low esteem, Nader seems to have a blind faith in instant technology, insisting that if corporations are given tough enough deadlines, on antipollution devices or on proving the safety of food additives, they will somehow manage to comply. While it is true that some corporations plead ignorance as a convenient alibi for doing nothing about pollution, it is also true that feasible systems have not yet been developed to control a number of crucial pollutants, including sulphur dioxide. On the question of food additives, James Grant, deputy commissioner of the Food and Drug Administration, says, "Scientific advances solve problems but also raise new questions. We can prove that certain chemicals are unsafe, but we can never prove, once and for all, that *anything* in the food supply is safe. We frequently are obliged to make absolute decisions on the basis of partial knowledge. If I have one criticism to level at the consumer advocates, it's that they're unwilling to take scientific uncertainty into account."

Does Sears, Roebuck cheat?

Economics, clearly, is not Nader's strong suit. He seems to think of figures as weapons, to be tossed around for maximum effect. To cite one of his current favorite examples of business fraud, he says that the orange-juice industry is watering its product by 10 percent, and thus bilking the public out of \$150 million a year. And he adds: "You may wish to compare that with what bank robbers took last year in their second most successful performance to date: \$8 million." Nader says he arrived at the 10 percent figure on the basis of "insider information." He applied it to total sales of the citrus industry and, lo, another "statistic" on business fraud. Even if the industry were watering, which it strenuously denies, it does not follow that the public is being gypped out of \$150 million. On a watering job of that scale, the price would reflect the water content, and if water were eliminated the price would have to go up.

Another of Nader's current favorite targets is Sears, Roebuck & Co. "Nobody thinks Sears, Roebuck cheats people. But they charge interest from the date the sales contract is signed rather than from the date of delivery—a few pennies, millions of times a year." But Sears no longer has ownership or use of the merchandise once the contract is signed, and could not, for example, apply any price increase that might subsequently be decided upon. The contract is perfectly open and aboveboard and should be considered in the context of the total transaction, price versus values received.

Nader quotes and endorses an estimate by Senator Philip Hart of Michigan that the whole gamut of business fraud and gouging, from shoddy merchandise to monopoly pricing,

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The Passion That Rules Ralph Nader *continued*

costs the consumer some \$200 billion a year, "or 25 percent of all personal income." That utterly fantastic figure is also more than four times as large as all corporate profits in 1970. For a clipping of that magnitude to be possible, even theoretically, it would have to run as a sort of inflationary factor through the whole economy—wages as well as prices—and thus the argument becomes something of a wash, but a grossly misleading one all the same.

Like reformers before him, Nader is extremely reluctant to admit that any progress at all has been made in any area of consumer protection, even where he has helped write new legislation. "Very little progress, really," he sums it up. "It's a push-and-shove situation." He still refers to the nation's meat supply as "often diseased or putrescent, contaminated by rodent hairs and other assorted debris, its true condition disguised by chemical additives." This is the identical language he used three years ago to arouse Congress and propel passage of the Wholesale Meat Act. Since then the Department of Agriculture has declared 289 packing plants "potentially hazardous to human health," and has told state authorities to clean them up or shut them down. The department says "much remains to be done" to eliminate unsanitary conditions—but perhaps not as much as Nader seems to think. Similarly, despite the thirty-four automobile safety standards enforced by law and 701 recall campaigns, Nader says that "the changes are purely cosmetic."

Shock waves at the agencies

The most impressive documents to come out of the Nader movement are the reports on the regulatory agencies. In most respects they are detailed and thoughtful, written with surprising skill by various groups of amateurs working under Nader's direction. And they have sent shock waves through Washington's bureaucracy. Since their publication, agency awareness of the public interest has greatly increased, and a certain distance has crept into the previously cozy relations between the regulators and the regulated. That distance, however, is still not nearly great enough to please Nader, who wants industry policed with eternal suspicion. "Sharpness" is one word he uses to describe the proper attitude. Jail terms for executives, he says, would be far more effective than the voluntary compliance on which the agencies now mostly rely. "Jail is a great stigma to a businessman, and even a short sentence is a real deterrent," explains James Turner, who wrote the FDA report. "You would get maximum compliance with a minimum of prosecutions."

That may well be so. But in the atmosphere of hostility that would result, regulation might actually be less effective than at present. The agencies can now make sweeping judgments—that a rate is "discriminatory" or a trade practice "deceptive"—on the basis of a simple hearing. "If criminal penalties were involved, our statutes would be interpreted in a much less flexible way," says Robert Pitofsky, the new head of FTC's Bureau of Consumer Protection. Most regulatory matters are exceedingly complex, and the agencies have trusted the industries concerned to furnish the data. If this system were replaced by a program of independent government research on countless topics, the sums expended could be huge enough to dent the federal budget. "It has to be a cooperative effort," argues Administrator Douglas Toms of the National Highway Traffic Safety Administration, which sets auto safety standards. "We're not going to get anywhere

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An open letter to marketing men no new worlds to conquer

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and high margins. They represent an
ideal way for a typical company to
broaden its base, increase its volume
and profits with little investment,
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The Passion That Rules

Ralph Nader *continued*

with an ugly, persistent confrontation, where the two sides
try to shout each other. We'd be pitting a tiny govern-
ment agency against the worldwide auto industry."

At the FDA, a new leadership is attempting to stay on
cordial terms with the \$125-billion food industry while
attacking the two key problems documented in great detail
in the Nader report, *The Chemical Feast*. First, the FDA is
undertaking a comprehensive review of the hundreds of chem-
icals added to the food supply as preservatives, colorings, or
flavorings. "None of these chemicals, perhaps, has been put
to the most rigorous testing that present-day science could
muster," admits Deputy Commissioner Grant, one of the
new men at the agency. Second, the FDA has also acted on
mounting evidence that many prepared foods are deficient in
nutritional values, and is now setting guidelines for their
fortification with vitamins and minerals. "In many ways the
FDA was a bar to progress," says Grant, "and we are
attempting to turn that around."

Confessional for sinners

Among the agencies Nader has investigated, the FTC
comes closest to the tough, pro-consumer point of view that
he is pushing for. Under its new leadership the FTC has filed
a flurry of complaints on deceptive advertising, and in a
number of these cases it has gone far beyond the traditional
cease-and-desist order (known around the FTC as "go and
sin no more"). To the dismay of the advertising profession,
the FTC now seeks what it calls "affirmative disclosure"—
that is, an admission in future advertising, for a specific per-
iod, that previous ads were deceptive. Howard Bell, presi-
dent of the American Advertising Federation, says this
amounts to "public flogging."

"Somebody is going to take us to court on affirmative dis-
closure, and they should," Pitofsky cheerfully admits. "It
is a substantial expansion of FTC power." The FTC is also
insisting that claims be based on evidence. "We're not after
something that 'tastes better,'" Pitofsky says. "That's just
puffery. But if you say it's twice as fast or 50 percent
stronger, we will take that to mean faster or stronger than
your competitor's product, and it better be so."

By swinging to "a fairly stiff enforcement of the law," as
Pitofsky puts it, the FTC hopes to encourage self-regulation
by industry. "Voluntary compliance comes when companies
see that they are better off cleaning house themselves than
letting government do it for them." And that is what seems
to be happening. Warning of "the regulatory tidal wave
which threatens to envelop us," the American Advertising
Federation is trying to establish a National Advertising
Review Board, which would set standards for ads, seek vol-
untary compliance with the standards, and refer ads it finds
deceptive to the FTC for action.

In all this unaccustomed bustle, the agencies are, of
course, just doing what they were supposed to be doing all
along. To say only that, however, is to ignore the extraordi-
nary difficulty of the regulatory function when there is no
counterpressure to the steady, case-by-case intervention of
skilled lawyers with specific and valuable corporate interests
to protect. Congress, like the agencies, responds to the pres-
sures applied—it's a case of "who's banging on the door," in
Nader's words. Yet the pressures applied by individual cor-
porations in individual cases can work to subvert the larger
interests of the business community as a whole. "Intriguingly

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The Passion That Rules

Ralph Nader *continued*

enough," says the FDA's Grant, "the overwhelming majority of the food industry believes that it is better off with a strong FDA, because all get balanced treatment." It is Nader's accomplishment, and no small one, that he has given the agencies the other constituency they need, the public. "Until we came along," says Nader, "the people at the agencies had forgotten what citizens looked like."

Nader will bend all of his lobbying skill this year to persuade Congress to pass a bill that would give the consumer permanent representation before regulatory bodies. The consumer agency to be established by the bill would, in fact, attempt to do just the sort of thing that Nader is doing now, but with the help of government funds and powers. A number of other consumer bills have broad support this year, including regulation of warranties and power for the FTC to seek preliminary injunctions against deceptive advertising. But Nader says, "I'd trade them all for the consumer agency."

The problem of maintaining clout

But can a movement like consumerism, powerful and yet amorphous, really be institutionalized? Certainly the passion and craft of a Nader cannot be. Nor would the director of a consumer agency enjoy Nader's complete freedom of action. A Senate aide who helped draft the bill predicts that the new office might "have its time in the sun, like the Peace Corps or OEO. Then it will carve out a rather cautious domain of its own and become part of the bureaucracy."

That being so, there will still be opportunities for Nader, always provided that he can stay in the sun himself. His support is volatile, a matter of vague tides of public opinion. "His problem is maintaining clout," says Douglas Toms, the Traffic Safety Administrator. "He has a strange kind of constituency, people with a burr under their saddle for one reason or another. He has to constantly find vehicles to keep him in the public eye." Financing will continue to be a problem. Nader himself is well aware of all these difficulties. He says that a basic error of reform movements is expecting to succeed. "You will never succeed. All you're trying to do is reduce problems to the level of tolerability."

Nader's answer to that question about the presidency is this: "I find that I am less and less interested in who is going to become President. A far more interesting question is, who's going to be the next president of General Motors?" Despite any such disclaimers, it is easy to imagine the movement going political and Nader running in some future year as, say, a candidate for the U.S. Senate from Connecticut. Nader might do well in politics, as a sort of latter-day Estes Kefauver. A recent Harris survey revealed that 69 percent of the people think "it's good to have critics like Nader to keep industry on its toes," while only 5 percent think he is "a troublemaker who is against the free enterprise system." This is the sort of public response that most politicians, including Presidents, yearn for in vain.

Judging Nader on the basis of the specific reforms he has brought about, it would be hard to disagree with this public verdict. There has been some cost, however, and this cannot be measured. He has visited his own suspicions and fears upon a whole society, and in the end his hyperbole may prove to be a dangerous weapon. But this year at least, the public apparently expects its crusaders to be twice as fast and 50 percent stronger.

END

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