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RIPON FORUM

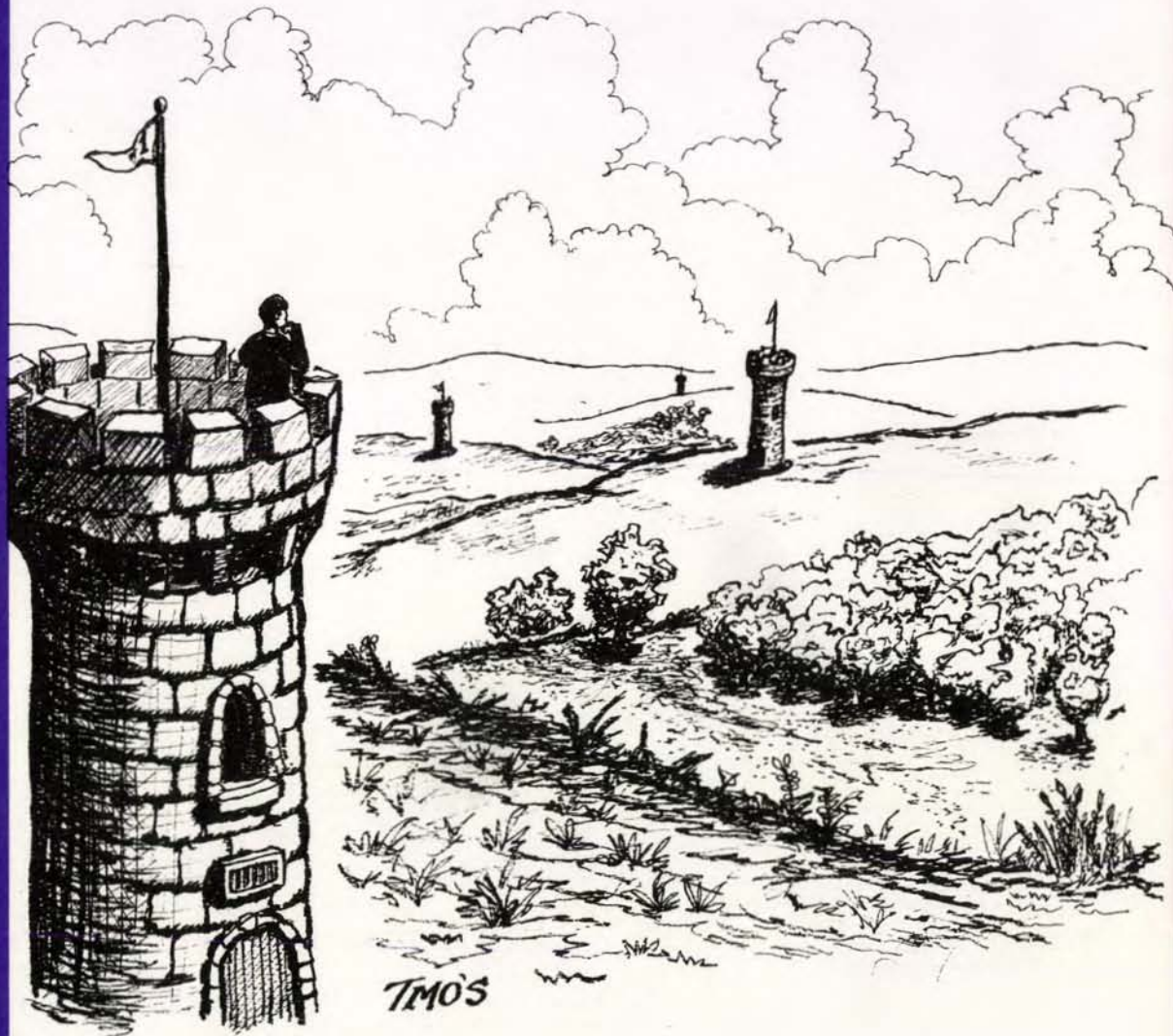
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Conversation with T.
Stone Pickens, Jr.

South Africa: A Time for
Action

Opportunism on the
Right: An Unholy
Alliance Revisited

Here's What the News
Media Isn't Telling You
About Trends in the GOP



Radical Individualism Debunked

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RIPON FORUM

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Editor's Column

The idea of the lone individual long has been a part of the American mystique, and in many respects no one embodies that image more today than entrepreneur T. Boone Pickens, Jr. But even Pickens has been forced to live within the confines of community, and, whether he realizes it or not, has actually strengthened the bonds of community. How, you say? Through his repeated attempts to takeover a major oil company, which have in turn benefited many stockholders and forced the machinery of the marketplace to run more smoothly. It is odd, of course, that an entrepreneur like Pickens would enhance our sense of community, because mavericks usually have little to do with the needs of the whole.

That tension between individualism and community is explored elsewhere in this Forum, as editorial board member Alfred W. Tate reviews sociologist Robert N. Bellah's book *Habits of the Heart: Individualism and Commitment in American Life*, and argues that radical individualism has the potential to undermine American democracy. But we shouldn't forget that the Republican Party is rooted in the freedom of the individual, and conservative Congressman Mickey Edwards argues that by providing the president with the power of the line-item veto, that freedom could be seriously challenged. One branch of government just shouldn't have that much power.

Of course, the tension between individualism and communalism will always be with us. As Bellah says, "individualism is a positive feature of the American character and culture," but it also has "destructive potential" when it neglects the needs of the whole.

—Bill McKenzie

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Profiles and Perspectives Profiles and Perspectives Profiles and Perspectives Profiles and Perspectives Profiles and Perspectives Profiles and Perspectives Profiles and Perspectives Profiles and Perspectives

Profiles and Perspectives

A Conversation with T. Boone Pickens, Jr.

Bill Moyers once said that Texas politics is the art of personal persuasion, and if that is true then Amarillo oilman T. Boone Pickens, Jr. might someday make an outstanding Texas politician. Where the medium-sized man with the giant-sized ambitions has made his real mark recently, however, is in corporate America, where his company, Mesa Petroleum, has come into prominence through its repeated attempts to take over such energy conglomerates as Gulf Oil and Phillips Petroleum. Although Pickens, Mesa's chairman, has not been successful in seizing control of a major oil company, he has forced many Big Oil corporate chieftains to rethink management practices. While some consider Pickens a pirate in a three-piece suit, that challenge to corporate chieftains has won him praise from various corners. Whatever Pickens has done, he has not suffered from want of personality. His easy-going manner stems from the Texan's sense of extended family, where no one is considered a stranger, and is combined with a deadly seriousness which could prove an unbeatable mixture should he enter politics. In this interview with Forum editor Bill McKenzie, Pickens discusses that possibility, along with a number of other issues such as entrepreneurialism, corporate bureaucracy, the future of the oil industry, and the state of Texas.

Ripon Forum: Corporate takeover specialist Carl Icahn says that "Unfortunately, many of today's chief executives have spent the first 20 or 30 years of their business careers studying how to please their boards rather than concentrating on how to increase their corporation's profitability." In an age of corporate gigantism, has risk-taking become passé?

"Risk-taking is related to the management of a company."

Pickens: Risk-taking is related to the personality of a company's management. We certainly don't think it has become passé at Mesa, and I think our record proves that. On the other hand, if you look at the deals we've made, we've assessed risk very well. A lot of times I'm characterized as a person who just steps up to



the crap table and says "hand me the dice." I don't see myself or our management like that. At a crap table, your odds are 50-50. We operate with much better odds than that.

Ripon Forum: You've argued that Big Oil is mismanaged, and that the executives of some energy giants "have no more feeling for the average stockholder than they do for baboons in Africa." If this is true, to what extent is it due to the fact that some energy executives are minimal shareholders in their companies, and to what extent is it due to the nature of corporate structure?

Pickens: I don't think there's any doubt, even among the chief executive officers (CEOs) of major oil companies, that those companies are bureaucracies. Some are more efficient than others, but they're still bureaucratic in structure. There is no question that increased ownership will cause managements to be more sensitive to stockholders's interests. The more ownership managements and boards of directors have, the more they will

try to maximize stockholder values. I've said many times that I work for our stockholders. That's who pays me. I am an employee and proud of it.

I know from experience that the CEOs and directors of major oil companies generally feel that they have taken care of the stockholders with a dividend. Many managements have not accepted the fact that they are also responsible for the price of the stock, although we have made some inroads in that respect through our takeover attempts.

Ripon Forum: Let's return to the idea of risk-taking. What makes an entrepreneur? What creates the entrepreneurial spirit?

"An entrepreneur is someone who doesn't need seven pieces to figure out a seven-piece puzzle."

Pickens: You can't imagine how many young people have asked me, "How do I know if I'm an entrepreneur?" An entrepreneur is someone who doesn't need seven pieces to figure out a seven-piece puzzle. There are some people who just need two pieces, and they know where the other five should go.

It is my feeling that there are only a few entrepreneurs in the legal profession, the accounting profession and the engineering profession. The reason is that their education imposes a certain discipline on them. They have to have almost everything in place before they decide to make a deal. But there are exceptions. Hugh Liedtke, Pennzoil's CEO, is a true entrepreneur, and he's a lawyer. David Batchelder, Mesa's chief financial officer, is an accountant and one of the best entrepreneurs in the country. The list goes on.

Ripon Forum: Does modern corporate structure encourage entrepreneurialism?

Pickens: No, because it's bureaucratic in design. Even in my own organization, it has been hard work. We operated for a long time with people who were good, solid performers, but not entrepreneurs. Today, we have a more aggressive group. We started in 1956 with \$2,500 paid in capital, and went public in 1964 with less than \$2 million in assets. We have assets today of more than \$4 billion.

In the 1970s, some of the major oil companies were kicked out of foreign countries. They were forced to come back home and compete, so they decided to see how the independents were operating. Texaco became a partner of ours in 1980. They wanted to find out how we operated, if there was something to be learned. But I don't think you can just say, "Let's go see how somebody else does something and do it that way." That doesn't always work.

Probably all of us in America have some degree of entrepreneurship. In some, it may be just a slight flicker, but in others, it might be a roaring fire. Where people land will determine what they'll do. The person with the roaring fire probably will not last very long unless he lands in an environment that promotes entrepreneurialism. And the flicker in someone else may be snuffed out in a short time if it isn't nurtured.

Ripon Forum: Let's assume that you become chairman of an energy giant. What would you do differently?

Pickens: I love that question. About 15 years ago, a friend who was in line to ascend to the top of Gulf Oil remarked that he probably would not be able to make any meaningful changes in the company because by the time he succeeded, he would be 60 or 62 years old. Quick changes would just not be possible, he thought. I guarantee you that if you are the CEO of a company and you want to make a change, you can make it. I've heard remarks, and you have too, that the president of the United

States is stuck with a bureaucracy and can't really make changes. That's wrong. We've already seen that. We see a man making changes continually. It all comes from one concept: leadership.

Ripon Forum: So what would you do if you were in charge of an energy giant?

Pickens: The first thing I'd do is cut out the insulation around the so-called decision-makers. I'd force them to make decisions in a timely manner. People become tired of waiting to get decisions. That's what happens to so many of these companies, they fail because they can't get timely solutions to their problems. I still give a 90-minute orientation to new employees at Mesa. The first thing I tell them is that the stockholders come first, and the employees and management will do just fine if they perform well for stockholders. If we don't perform well, then we're vulnerable to a lot of things: losing our jobs, being taken over, going bankrupt or whatever. I also tell them all employees should want to own more stock. Ninety-five percent of Mesa's employees are stockholders, and ninety percent of my net worth is in Mesa. People sometimes say to me, "I've got a drilling rig. I'll cut you in for a half interest if we can do business with Mesa." We've never done that. It's incredible the temptations managements have. You've got to decide at an early stage that you will not submit to temptation.

Ripon Forum: You'd cut insulation, give more of a personal touch to employees, and increase employee stock ownership. What else would you do?

Pickens: I believe that everything will fall into place once you get the momentum going.

Ripon Forum: You've made the argument that the oil industry needs restructuring. What is the T. Boone Pickens plan for doing this?

"The oil industry is faced with poor fundamentals. First, the price of oil is uncertain. Second, successful exploration today is likely to involve natural gas instead of oil."

Pickens: The oil industry is faced with poor fundamentals. First, the price of oil is uncertain. Second, successful exploration today is likely to involve natural gas instead of oil. Most of the oil in the United States has been found. That's terribly important and often lost in discussions of industry conditions. Unfortunately, our natural gas markets are severely curtailed. Mesa is currently producing about 250 million cubic feet of gas per day. We are capable of delivering 500 million cubic feet. That is severe curtailment. It doesn't lend itself to aggressive exploration, since "success" probably would be another shut-in gas well.

The larger companies have huge cash flows, but they have limited investment opportunities. If you are going to produce more oil and gas than you replace, then you need to place the assets within the most efficient structure to deplete them.

Ripon Forum: And what would that be?

Pickens: A master limited partnership allows you to distribute cash flow to shareholders while fundamentals are poor, but it leaves you with a flexible structure in case the industry comes back. . . .

Ripon Forum: . . . Why do you think the oil industry will come back?

Pickens: Because we'll have shortages again, probably after 1990. But I don't want to endure five or six years of very stagnant conditions and deplete our reserves in the poorest

possible structure. I'd rather deplete them within a master limited partnership, which will maximize values for stockholders.

Ripon Forum: Some people make the argument that mergers and acquisitions have become a relatively routine part of American business. But do they really create new jobs? Do they really expand the economy? And perhaps more importantly, given our trade deficit, do they make us more competitive with foreign companies?

Pickens: I believe they do. Dr. Gregg Jarrell, the Securities and Exchange Commission's chief economist, and Michael Jensen, a professor at the Harvard Business School, have done studies demonstrating that mergers and acquisitions make management more accountable. If you can build efficiencies into the system, then it will be good for the consumer and the economy.

"The total merger proceeds of [Gulf and Chevron] were \$13 billion, and that went into the hands of 400,000 stockholders."

Some managements have become concerned that their common stocks are selling at huge discounts to their underlying value. They realize they are vulnerable, and they are trying very hard to enhance market prices. This is beneficial, because increasing market values makes money for the owners. Let me give you an example. When we first tried to take over Gulf Oil, their price was \$37 per share. During the preceding twelve years, Gulf had not replaced its oil reserves. During the preceding five years, it had lost the equivalent of 634 million barrels from its reserve base. It was being liquidated at a pretty fast clip. The stock had hit an all time high of \$53, and we didn't think the price would ever go above \$40 again, even if the price of oil recovered. Just think about the additional losses shareholders would have suffered if Gulf had proceeded on the same disastrous descent. Shareholders would never have received the \$80 per share offered by Chevron. If you assume that the average purchase price paid by all stockholders was \$40 per share, which I'm told is probably conservative, then another \$40 per share was made as a result of the merger with Chevron. That represents \$6.5 billion in profits for the stockholders of Gulf. The total merger proceeds of \$13 billion went into the hands of 400,000 stockholders. That \$13 billion went directly back into the economy. Of the \$6.5 billion in profits, over \$2 billion was paid in federal income taxes.

Ripon Forum: But take your attempted takeover of Cities Service. Before you tried to buy it out, Cities Service had 18,000 employees. Then Occidental Petroleum came in, bought Cities Service, and reduced the number of employees to 5,000. The Cities Service stockholders might have made good on the deal, but what about its employees?

Pickens: I don't remember the Cities Service employment figures, but let's consider the Phillips and Gulf deals. Gulf had already eliminated 15,000 employees before we showed up as a stockholder. Phillips had eliminated about 10,000 before we became involved. Due to the industry's deteriorating fundamentals, these companies were overstaffed. Look also at Arco. They just put into early retirement more than 6,000 people, and it had nothing to do with a takeover attempt.

By combining Occidental and Cities Service, a more efficient operation was created. I don't want to see the oil industry going the way of the steel industry. After Ian MacGregor took over British Steel a few years ago, he told me that they cut their work

force considerably in one year. He asked what effect I thought it had on his production. I said I bet it was off 10 percent. No, he said, it was up 50 percent. The point is, it pays to work with a force of people that are fully occupied and challenged.

Ripon Forum: John Y. Brown, the Kentucky Fried Chicken executive who later became governor of Kentucky, once made the claim that "everything lends itself to business analysis." Can you really run a government like a business?

"[Government] is like business. The taxpayers are like stockholders . . . it makes no sense to hear politicians tell constituents that they'll give them something. Politicians shouldn't be allowed to give anything."

Pickens: Sure you can. It's a business to start with. Taxpayers are like stockholders, and both are entitled to a full day's work for a full day's pay. For a dollar spent, taxpayers ought to receive a dollar back in value. It bothers me to hear politicians tell constituents that they will give them something. Politicians shouldn't be allowed to give away anything.

Ripon Forum: But let's compare the dynamics of political and business decision-making. In a democracy, there are many competing voices which make the process of making a decision slow and tedious. There are a whole host of people, from environmentalists to business lobbyists, who make their presence known on Capitol Hill. So how can you expect to run a government like a business?

Pickens: You can if you adopt the philosophy that the funds are going to be used for projects that make economic sense. You mentioned environmentalists. I'm not for producing something in an irresponsible fashion just because it makes economic sense. That would be very shortsighted because the environment should always be protected.

I come from a very frugal background. My mother, aunt and maternal grandmother were all very frugal people. I believe that all of us have to be accountable, and I think the same principle should apply to government.

Ripon Forum: But my point is that the accountability you can exercise as chairman of Mesa Petroleum is different than what you could as, say, governor of Texas.

"The governor of Texas can't fire everyone in an agency because they didn't handle the taxpayers's money in the way he'd like . . . But through leadership a lot of things can happen."

Pickens: I agree with that. You don't have nearly as much control in government. The governor of Texas can't fire everyone in an agency because they didn't handle the taxpayers's money the way they should have. But he can start an investigation and cause some things to happen.

Through leadership, a lot of things can happen. At Mesa, for example, we have no company cars. We did until January 1, 1985, but with tax changes it was not prudent to continue to have company cars. We never have had a hunting camp or fishing lodge to entertain ourselves or others. It just isn't part of our philosophy. By setting an example and exercising leadership, I think you can establish the same accountability in business as well as in government.

Ripon Forum: Why is it that more business leaders don't make the transition from business into politics?

Pickens: Most business leaders are private people. They don't want the exposure required by government service. I've been more willing than most CEOs to be questioned by the press because I believe that you should be willing to answer questions if you are going to get out front. Also, some business leaders would not like to contend with the disclosure laws. It's not that they have anything that would be embarrassing. They just feel it's not anyone else's business. Disclosure doesn't bother me. The deals that I have been in have been fully investigated. There have been full-time detectives from the other side going around checking me out. If I entered politics, they couldn't ask any more piercing questions than I'm asked now.

"Most business leaders are private people. They don't want the exposure required by government service."

Ripon Forum: Is there a way to draw business people out into the public arena?

Pickens: Encourage them. I think I have caused some business people to be more responsive to the press. The press has an obvious distrust of corporate executives because the insulation is too thick and they can't get access to them. One reporter told me he had to send a list of questions to an executive, who then told the reporter which questions he could ask and how long the interview would last. Naturally, that gave the reporter an uneasy feeling.

Ripon Forum: Business people understand the workings of capitalism then, but not necessarily the workings of democracy?

"It's interesting to me that some business people will tell you about the free enterprise system until someone acquires a large block of their stock."

Pickens: It's interesting to me that some business people will praise the free enterprise system until someone acquires a large block of their stock. That's when they start crying foul. Their corporate empire is being shaken, and that makes them extremely uncomfortable. The power syndrome is the biggest problem in corporate bureaucracies.

When you asked earlier whether executives play up to boards of directors, I didn't respond. I don't see that very often. What I see more frequently is that directors are beholden to the chairman, because the chairman selected them. When I look at a list of the members of a board of directors, I always check to see how much stock they own. That's important. The lowest ownership among Mesa's directors is about 10,000 shares. Not counting mine, the figure increases to more than 500,000 shares.

Ripon Forum: But is there an awareness in the business community of the different dynamics between private and public decision-making, such as the pluralism of constituencies and the glare of the press?

Pickens: I don't see that much difference.

Ripon Forum: It's been said that too many business people ignore the social implications of their actions. Is there a social responsibility in the creating of wealth?

Pickens: Social responsibility is akin to protecting the environ-

ment. We shouldn't pollute anything just for the sake of making money. We don't have that right. There's always a responsibility to society for what we do. On the other hand, we have to look after the stockholders's interests.

Ripon Forum: You haven't discouraged rumors that someday you may run for office. Why would you want to enter politics? And what sort of political vision do you have?

Pickens: I think I have a pretty good feel for how things fit together, and I've been able to predict a lot of things well in advance. This has enabled me to do well as a CEO. Our record is quite good at Mesa, not only in enhancing the value of our stock but also in building an unusual cadre of people. I'm very sensitive to our employees. They also know I expect a good job, and that they will be rewarded for providing it.

Ripon Forum: But why would you want to enter politics?

Pickens: If I thought I could contribute something. I had no interest in getting into politics in 1986 because I felt like I had an unfinished job at Mesa. It was easy to make that decision. I don't know what will happen between 1986 and 1990.

"I had no interest in getting into politics in 1986 . . . I don't know what will happen between 1986 and 1990."

Ripon Forum: Let's assume that you do become governor of Texas. What would you want to accomplish?

Pickens: Texas is facing some very tough problems. When the price of oil increased during the 1970s, the state had a budget surplus. But during the 1984 special session, the Legislature passed the biggest tax increase ever. We've almost gone full circle to the 1960s, when every legislative session addressed taxes. Some real leadership is going to have to surface to solve these problems. For example, we've got a huge water problem, both in the metropolitan and rural areas. Higher education is going to have to be changed because it's become too expensive for the taxpayers. Efficiencies need to be developed throughout the system, and even the educators are aware of it.

"Texas is facing some really tough problems . . . Some real leadership is going to have to surface . . . Yet Texas is also blessed with more entrepreneurs than any place in the world . . . It will rebound."

Let me cite a statistic that will surprise you. The last time the state of Texas replaced its oil reserves was in 1955. If we had not had the OPEC oil price increases of the 1970s, the state and the oil companies would have been in terrible shape before now. Another interesting statistic is that in 1972, the state of Texas produced three times as much oil as it did in 1984. The implications of these statistics on future state finances is substantial.

Yet Texas is also blessed with more entrepreneurs than any place in the world. That's not something you necessarily have to encourage. You just have to be sure that you don't develop a detrimental atmosphere. People are willing to stick their necks out and put their money up and take their chances. They'll be there if you give them the right kind of business climate. Texas is an exciting place, and unusual in the way it rebounds. And rebound it will. ■

Line-Item Veto: A Challenge to Republican Beliefs

by Mickey Edwards

On September 3, meeting behind closed doors with members of his Cabinet, President Reagan expressed his growing frustration over the increased reluctance by members of his own party to support presidential initiatives.

"Now's the time to go along, and be Republicans," he said.

"Are there transcendent issues which go to the heart of our common Republican identification and which unite Republicans within the Ripon Society with Republicans within the American Conservative Union?"

His complaint raises a serious question, of course. To what extent should we, as Republicans, feel obligated to support the initiatives of a Republican president—especially one who has been twice elected by sizable margins and has the clear support of a majority of the American people? Are there transcendent issues which go to the heart of our common Republican identification and which not only unite Republicans within the Ripon Society with Republicans within the American Conservative Union (which I chaired for nearly five years)? Are there issues which may require us, in order to be true to Republican principles, to oppose part of the president's legislative program?

Uniting Republicans

Clearly there are. Conservatives like myself have used our own understanding of Republican principles to reach positions which differ from the president's on the question of sanctions against South Africa, certain changes in the tax code, and the need to institute reforms at the Pentagon.

I believe one of those issues—one of those fundamental concerns which unite Republicans, whether Ripon Republicans or ACU Republicans, require us to oppose, as well, the president's attempt to transfer to the executive branch of government (to himself, that is), powers specifically denied the president by the Founding Fathers.

" . . . those fundamental concerns require us to oppose the president's attempt to transfer power to the executive branch of the government (to himself, that is), powers specifically denied the president by the Founding Fathers."

Mickey Edwards is a member of Congress from Oklahoma and former chairman of the American Conservative Union.

To the casual observer, there is a vast political distance between the Ripon Society and the American Conservative Union, and there's no question that on a wide range of issues the differences are vast and real. But there are common threads, the most important centering on a belief in the necessity of restraining government to protect human liberties. While there are great differences of opinion in "Republican" political circles as to how useful government can be, there is substantial agreement that it poses great potential for suppression of individual freedoms—a shared concern which has its antecedents in the constitutional deliberations of the nation's founders.

That concern, which is expressed in a carefully drawn system of separated powers, and an intricate web of checks and balances, not only placed great power in the presidency—command of the armed forces, the power to appoint the judiciary, the power to appoint the heads of every federal department and agency—but it deliberately withheld power as well. Most notably, the Constitution, in its very first sentence, placed all legislative power in a separate branch of government. Only after much deliberation was the president granted any veto power at all.

That carefully crafted balance is now threatened by President Reagan's vigorous campaign to place unprecedented new legislative power in his own hands through the use of the so-called line-item veto.

How much would the line-item veto shift the balance of power?

"The line-item veto would bring about what the nation's founders most feared—a non-hereditary monarchy."

Today, members of Congress, representing varying philosophies and diverse regions of the country, come to agreement, to consensus, on legislation which a majority of them believe to be consistent with their own views and the best interests of their constituents—in other words, a consensus which benefits the majority of the population. If one more than half of the members present and voting in each chamber of the Congress wants the legislation to pass, it does.

The president has the power to veto these bills, and sometimes presidents veto entire appropriations bills: Jimmy Carter did; Ronald Reagan has. But because the representatives and senators who put the legislative packages together are loath to unravel them, it is harder for a president to gain sufficient support to sustain his veto. Thus the majority will of the Con-

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Editorial:

South Africa: A Time for Action

Like Australia, or even Texas, South Africa is a land marked by wide open spaces and wild territory, a land that James Michener once called "magnificent but brutal." That a dichotomy exists within a country so filled with nature's power is perhaps what makes its internal turmoil so bitter. A mystical sense of place is created by vastness, but when it is torn apart by hatred, anguish becomes acute over what could be but isn't. "This is a tremendous country," South African Anglican Bishop Desmond Tutu said recently. "It doesn't need to go that way."

"That a dichotomy exists within a country so filled with nature's power is perhaps what makes South Africa's turmoil so bitter."

The "way" to which Bishop Tutu refers, of course, is the rending of South Africa's social fabric by the policy of apartheid, or "separate development." The official separation of that country's races began in 1948 when the National Party took the Afrikaner belief in segregation and implemented a series of laws to protect the white minority population from black majority uprisings. In 1950, for instance, the Pretorian government denied blacks the right to buy white-held land by passing the Group Areas Act. The government also created "homelands" to which over 10 million blacks have been "resettled" since 1948.

The alleged purpose of the homelands was to give blacks independence, but the real motives were to strip the white government of its responsibility towards blacks and to create an official white majority in South Africa. In many respects, that policy has been successful, if one can use that word without any moral connotation. While 19 percent of the federal budget goes towards the homelands, the assistance is categorized as "foreign aid." And upon entering South Africa, homeland citizens are now considered "legal aliens."

The plight for blacks, of course, remains deplorable. Many live on unworkable land, have dismal health care, and reside in squalor. Fifty percent of the blacks living in homelands are unemployed; the infant mortality rate is nearly 240 deaths per 1,000 (in "white"

South Africa the rate is only 12 deaths per 1,000); and some shelters are no more than one room metal huts without floors or ceilings.

Such discrimination is not limited to the homelands either. In the urban areas of "white" South Africa, for example, blacks are forced to live in government-owned residences, the shortage of which has forced many to live in lean-tos or junkyards. And while moving about urban areas, blacks still have to carry passes to avoid being jailed, despite proposals to the contrary. The segregation also extends to the educational sphere, where separate government ministries for education are maintained, and where seven times as much money is spent on education for whites as for blacks. The result should not be too surprising: less than 50 percent of black South African youths finish high school.

The Youth

It is the young, perhaps, that should give us the most concern. After helping quell a youth-led demonstration during a political funeral this summer, Desmond Tutu said this: "These children actually scare me. Most of them believe they will die. It's not that they have a death wish, but they believe that's how they will get their freedom. They are willing to die." And Steve Mochechane, 31, a black minister in Daveyton, one of the 36 cities and towns the white government put under a state of emergency last July, claimed: "To many of them [Daveyton's young] the Soviet Union becomes the only possible alternative. All other avenues have been closed to them, and Marxism becomes a passage out of this oppression. So when the government says the unrest is communist-inspired, all we say is, 'What else do you expect?'"

"It is the young that should give us the most concern. If the hearts and minds of young blacks are lost, then who knows where South Africa will head."

Politics cannot be treated with levity, Emerson said, and the sentiments of Tutu and Mochechane make the gravity of the South

African situation clear. If the hearts and the minds of young blacks are lost, then who knows where that country will head. Perhaps in the long run to the Marxists, who oversaw the deaths of more than 6,000 Zimbabweans last year. In the short-run, however, one American observer predicts that blacks might begin a campaign of random violence, picking whites on the fringe as targets. Unfortunately, recent headlines seem to confirm that prediction.

While violence on any level is not acceptable, it may be understandable. Black South Africans have been basically peaceful for seventy years. But now they are tired, and their young are willing to pick up arms. "Every actual state is corrupt," Emerson also wrote, and South Africa's young blacks are living out this maxim: "good men must not obey the laws too well." If South African policymakers don't recognize how deeply young black South Africans hold this sentiment, then a peaceful resolution to their crisis will never be reached.

The Language of Apartheid

Unfortunately, many key policymakers have not recognized that fact. Instead, they continue to use language which has duplicitous meaning. Consider South African President P.W. Botha's statement that political rights will be granted to blacks "to decide on their own affairs up to the highest level." While one might assume that this means representation in the national Parliament, like that afforded the country's Asians and Coloreds (mixed races), it does not. As the *Washington Post's* Allister Sparks notes, "the key to the code in this case lies in the phrase 'own affairs.'" Blacks allegedly will be given a national body that will have legislative authority over the 10 million blacks who do not live in a homeland. That body, however, will not be an official part of Parliament, nor will it have a say in issues that affect the other "peoples" of South Africa. As Sparks says: "That is the most the Botha manifesto envisions for the black majority in the way of political rights."

Even the use of the word "apartheid" is deceptive. Originally it meant "white mastery," now it means "separate development." And the government agency which oversees the country's 23 million blacks has changed from the Department of Native Affairs, to the Department of Bantu Administration and Development, to the Department of Plural Relations, to the Department of Cooperation and Development.

"Mr. Botha claims that 'white' South Africa is a 'stable center.' But what is so stable about a 'center' that last year witnessed the deaths of 600 blacks, and since July 21 has seen the arrest of more than 2,000 blacks?"

Cooperation and development? Hardly. "Destroy white South Africa and our influence," President Botha said recently, "and this country will drift into faction, strife, chaos and poverty." Moreover, Mr. Botha claims, "white" South Africa is a "stable center." But what is so stable about a "center" that last year witnessed the deaths of 600 blacks, and since July 21 has seen the arrest of more than 2,000 blacks? And how can the 69-year old white leader envision a coexistence which is "cooperative," when his plan to give each South Africa "nation," a euphemism for the country's blacks, Asians, and coloreds, jurisdiction over their "own affairs" but not a say in the country's general affairs? It is like giving furniture to someone who has no house.

Although a number of white South Africans recognize the double entendre of apartheid's language, the leader of the opposition Progressive Federal Party, Frederik van Zyl Slabbert, contends that President Botha's statements contain no duplicity. "He has always been straightforwardly honest in saying that he is not scrapping any of his party's basic principles," Slabbert says. "The trouble is that people just don't believe him. They keep reading into what he says intentions that are not there. They don't take the man at face value."

Some Americans, however, have read intentions into Mr. Botha's statements, and this includes President Reagan. While the president has imposed economic sanctions on South Africa, those limitations are mild and, like his support for the extension of the Voting Rights Act in this country, they were enacted after much pressure from Congress. In fact, only a few weeks before imposing sanctions the president called the Botha administration "reformist," and said that "they have eliminated the segregation that we once had in our own country—that has all been eliminated." Likewise, the Reverend Jerry Falwell, following a "fact-finding" mission to South Africa, claimed that, "reform is the policy of the government." And speaking of our own experience with racism, Mr. Falwell said: "Thank God the world was patient with us."

"As a followup to the economic sanctions, the United States should push for a conference between the Botha government and all recognized black leaders, including Nelson Mandela."

Although the United States has had a long, dark struggle with racism, that doesn't mean, as Reverend Falwell seems to imply, that we should be patient with discrimination, whether our own or someone else's. To do so would be an abrogation of a great power's responsibility. As a followup to the economic sanctions, then, the United States should push for a conference between the Botha government and all recognized black leaders, including Nelson Mandela. Although the imprisoned African National Congress (ANC) leader has not eschewed guerrilla struggle, his freedom after 21 years of political imprisonment would reflect the white government's intent on *real* progress. "His release," Desmond Tutu says, "has come to symbolize the liberation [black South Africans] are longing for." Mandela's freedom might even be in the white government's interest. As Lucas Mangope, president of the homeland of Bophuthatswana, claims: "Freeing Mandela unconditionally would make it possible for the government to unban the ANC and start negotiating with it." Additional steps should include granting citizenship rights to all South Africans, and as an intermediary step towards a full Parliament, the political rights of blacks should be extended to representation in a separate chamber.

Conclusion

Because of their love of the land, some black Americans did not leave the American South after the Civil War. Similarly, many black South Africans are not going to leave their native soil. They have suffered on it, and emotionally it is theirs. From exile, poet Dennis Brutus, a Rhodesian who lived in South Africa from childhood, and who was imprisoned, detained, shot, banned and finally expelled, put it this way: "The long day's anger pants/from sand and rocks/But for this breathing night at least/my land, my love sleeps well." If the Botha government does not act quickly, however, the brutality in that magnificent land will not allow it to sleep well much longer. ■

Line-Item Veto from page 7

gress prevails more often than not—which is what the Founding Fathers intended.

Presidential Leverage

A president with the power of the line-item veto, however, gains an enormous advantage over the Congress in determining the legislative agenda. In making this argument to conservatives, I suggest that the line-item veto could be used to eliminate such military hardware as the B-1 and the MX, but the point is equally true in reverse.

Suppose a president were to appoint as director of the Office of Management and Budget a budget-slashing conservative like David Stockman, and, guided by such a force, that administration proposed the elimination of subsidized legal assistance for the poor, or student loans, or school lunch programs.

Imagine that the supporters of those programs then launched a nationwide campaign to save them. Under pressure from constituents, the House (which is both less conservative than the Senate and more responsive to immediate constituent concern) votes 435-0 to preserve the programs. And the Senate votes nearly two-to-one to continue the programs. Who wins?

The president, his OMB director and a small band of conservatives in the Senate would prevail. It's not a matter of consensus, it's a matter of as little as 6% of the 535 members of the House and Senate having the power, with the president, to determine the legislative priorities for the country and overrule the other 94%. That would obviously be a complete inversion of the system envisioned by the Founding Fathers. And this concentration of power is the opposite of the decentralization which is fundamental to Republican beliefs.

The president, who is commander in chief of the armed forces, appoints the Supreme Court, appoints every federal judge, appoints department heads and agency heads and ambassadors and members of the Federal Reserve Board, now would have, in addition, virtual control over the legislative and spending decisions of the federal government.

Thus, the line-item veto would bring about what the nation's founders most feared—a non-hereditary monarchy. The president of the United States already has more power than many kings have had, and with the added ability to control the legislative and spending agendas, he could become, potentially, among the most powerful rulers in world history. It was precisely this concentration of power the republic's founders labored so hard to avoid.

“As for the argument that the line-item veto has been used successfully in 43 states, state governments are not ‘little federal governments.’”

It is the absence of such power, the careful division of authority into separate branches of government, each able to check the other, which has allowed the nation to have both enough strength and efficiency to resist external threats and sufficient guarantees to preclude Americans losing their freedoms to their own government.

Those who propose adding such new powers to the presidency (never conceding, many never realizing, that they are proposing a significant change in the basic structure of our government) rely heavily on two arguments: the desperate need to do some-

thing about the national debt, and a successful track record in the 43 states which give their governors line-item veto authority.

Rebutting Proponents

There are two answers to the first point. The first is made most effectively by Senator Mark Hatfield, chairman of the Senate Appropriations Committee. Hatfield points out, correctly, that so much of federal spending is outside the regular appropriations process (something like 45 percent of all federal spending is spent on earmarked entitlement programs, for example, and another 12 percent or so is earmarked to pay the interest on the national debt) that even extensive use of the line-item veto, while it would remove priority-making authority from the Congress, would not achieve the balanced budget which its advocates dream.

The second argument is more philosophical: granted that the accumulated debt is a major national problem, the Constitution provided a specific means for dealing with it—and with other problems of congressional mismanagement or inaction—congressional elections every two years.

To those who argue that the political process is too slow, and doesn't work, I point to two elections which prove otherwise. In 1980, frustrated by Jimmy Carter and eager for a change in direction, the American people sent to Washington with President Reagan a Republican majority in the Senate and enough Republicans to form a working majority with conservative Democrats in the House.

“Worst of all, it would place an enormous potential to blackmail in the hands of a president.”

In 1982, concerned that the new administration and Republicans had read too much into the 1980 “mandate,” and had gone too far, the voters shifted the Congress slightly toward its pre-1980 configuration. It is admittedly harder, more time-consuming, more expensive, more tedious to change things through the political process, and, voters having their own opinions, the results might not always be what one wants. But it's far preferable to abandoning our unique form of government and opening the door to future presidents who might not have the internal strength, or the inclination, to resist use of major new powers.

As for the argument that the line-item veto has been used successfully in 43 states, with all due respect to state government, that is much like saying the old “Statue of Liberty” play would work as a part of regular National Football League playbooks because it's been used so well on sandlots. State governments are not “little federal governments.” Although the analogy may be helpful in a beginning political science course, or in junior high civics, there is simply no comparison at all between the states and a national government. On social problems, the difference in scope is awesome. No state government deals with a Social Security system covering tens of millions of Americans, nor with the FBI. No state government deals with the implementation of treaties between nations or providing for the national defense.

The truth is, none of the arguments for the line-item veto work: (in California, legislators joke about adding to legislation constituent-pleasing items they never would have considered if

not for the assurance a governor would use his veto to "save" the taxpayers money the legislators never intended to spend); it won't seriously reduce federal spending (Hatfield points out that, because of non-appropriated spending, giant programs could be wiped out and we'd still have \$100-billion deficits), and, worst of all, it would place an enormous potential to blackmail in the hands of a president ("if you don't support my program, I'll veto highway funds for your district").

What the line-item veto would do is fundamentally shift the balance of power in America and change, at its roots, our form of government.

"The line-item veto would fundamentally shift the balance of power in America and change, at its roots, our form of government."

Ronald Reagan is correct. It's time to be Republicans. For most of us—whether we belong to the Ripon Society or to the ranks of more conservative Republicans—"being Republican" sometimes means saying "no" to presidents who should never get all the power they want. ■



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From Sellers to Buyers: Changes in Health Care

by Michael D. Bromberg, Esq.
and Thomas G. Goodwin

The health care "revolution" now raging across America is a remarkable, if predictable, phenomenon.

One need not be an expert in the field to recognize the startling and unprecedented changes that are taking place: the sudden explosion of alternative health delivery programs; the growth of multi-institution health care "systems;" the emergence of "storefront" clinics; the combination of health insurance with the actual delivery of care by a single provider; and a host of innovative market-oriented developments such as previously-unheard-of hospital advertising, luxury accommodations, gourmet meals and (was it only a matter of time?) the use of credit cards as payment for treatment.

" . . . a gap in the delivery of health care . . . increasingly is being filled by the private sector."

All these activities stem from the fact that our health care system has for the first time in recent years become imbued with the competitive spirit of the "marketplace." This is an inevitable result of the national perception that medical costs are unacceptably high, coupled with our government's inexorable withdrawal from its support of public's health.

This governmental withdrawal is exhibited by the demise of federal support for hospital construction and renovation, reductions in funding for Medicare and Medicaid, and a national aversion to new taxes to support public health care programs.

Not surprisingly, it has fostered a gap in the delivery of health care which increasingly is being filled by the private sector. This development has generated equally unsurprising new philosoph-

ical controversies, as what traditionally has been regarded as a "service" evolves into an "industry"—or, as some put it, the "medical/industrial complex."

Recent Trends

How did we get here? And where are we going? It is undeniable that the health care "revolution" is a war against costs, fought on the battlefield of competition, with the stakes being the preservation of quality health care. Generally speaking, the roots of the revolution can be traced back 20 years or so, to the enactment of Medicare and Medicaid.

Lyndon Johnson's "Great Society" meant, for health care, a national commitment to provide quality medical services for all Americans, regardless of their ability to pay. In economic terms, it was both supply- and demand-side. The enactment of Medicare and Medicaid resulted in dramatically increased demand for health services, while programs such as the (now defunct) Hill-Burton hospital construction fund offered an incentive for the growth of institutions.

The subsequent perception that health care was not only free but also in abundant supply fostered great waste in services and soon forced the real costs of health care through the roof.

"President Reagan has presided over the remarkable change in the way federal Medicare payments—approaching 40% of the nation's hospital bill—are made."

Richard Nixon's price controls effort in the 1970s had the effect of all such controls: they depress prices artificially, and only for as long as they are in place, after which prices rise dramatically to keep pace with inflation. Certificate-of-need legislation served only to slow bed construction while increasing new services. In the late 1970s, Jimmy Carter's hospital cost control plan failed in Congress, and a voluntary effort by

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hospitals themselves to rein in soaring costs was successful for two years but then fell victim to double-digit inflation in the general economy.

By 1980, the problem of rising costs had become acute, especially in relation to other industrialized nations. America's health bill was nearly \$1,500 per capita, and topped 10% of the Gross National Product; compared with about \$900 in West Germany, \$800 in France, \$500 in Japan, and \$400 in Britain.

Reagan Reforms

Comes now the Reagan Administration to attempt another approach, that of actually decreasing demand for health services. In addition to enacting repeated budget reductions in Medicare and Medicaid throughout the 1980s, President Reagan has presided over the remarkable change in the way federal Medicare payments—approaching 40% of the nation's hospital bill—are made.

For nearly twenty years, Medicare had reimbursed hospitals for the treatment of our elderly on a "cost" basis in which the hospital's "allowable" Medicare costs, whatever they might be, were paid by the government. Under the new "prospective payment system" enacted by Congress in April 1983, Medicare sets in advance the payment rate (adjusted regionally and demographically in a complex formula). Hospitals that can treat Medicare patients for less than the fixed rate may keep the difference; hospitals exceeding the fixed rate must make up the difference.

"Although the prospective payment still is in relative infancy, there are already some genuinely positive results."

Thus, with one stroke of a presidential pen only 17 short months ago, our health care system entered the realm of the "marketplace," and a new era of competition was ushered in as the nation's hospitals instituted management and marketing techniques to battle for patients.

Although the prospective payment system still is in relative infancy, there are already some genuinely positive results: hospital cost increases, for example, at 17% in 1982, fell to 4.5% in 1984 and are hovering in that range thus far this year. Patient admissions, growing 2.7% annually in 1983, actually declined 2.1% in 1984. Patient lengths-of-stay dropped from 7.2 days in 1983 to 6.9 days in 1984. The number of staffed hospital beds fell one percent in 1984, as did the number of people employed by hospitals—the first such decline since World War II.

Earlier this year, Medicare adopted another program that some believe may eclipse the prospective payment system in its impact on public health costs: the "HMO Option." By allowing Medicare beneficiaries the opportunity to sign up with a Health Maintenance Organization that will provide all their care for a fixed price, the government expects to save billions of dollars over the next 15 years.

But the action is not limited to the public sector. Private employers, astonished by the burgeoning cost of traditional employee health benefit premiums, are seeking alternatives. Some companies are increasing the deductibles on their employees' insurance policies; others are offering cash incentives to

those employees who keep their annual health costs below a pre-set ceiling.

As of this writing nearly one-half of the top "Fortune 500" companies are self-insured, and many others have enrolled with HMOs or preferred provider organizations (PPOs), which provide specified levels of care at specified institutions for specified prices.

According to pollster Louis Harris, alternative delivery systems such as HMOs are doubling their membership every five years, are now used by nine percent of the nation's households and could capture 35% of the market by the late 1990s. There are some 325 different HMOs in the U.S.

"Medicare adopted another program that some believe may eclipse the prospective payment system in its impact on public health costs: the HMO Option."

But HMOs are just part of the new face of health care delivery. More than 2,000 free-standing "storefront" clinics, emergency medical centers and outpatient surgery facilities now dot the landscape, and analysts expect that number to grow to more than 5,400 by 1991. Most frequently, these clinics and centers are run by hospitals or physician groups as less costly, but more accessible, alternatives to inpatient hospital care. Some experts see this outpatient market reaching as much as \$10 billion annually by the end of the decade.

The home health care market is expected to boom as well. The government suggests that expenditures for home health care will grow from \$3.4 billion in 1984 to \$5.4 billion in 1987, with the potential for an \$18 billion market by 1994!

We can also expect a dramatic increase in the number of surgical procedures performed on an outpatient basis, especially when one considers that approximately 60% of all surgery can now be performed outside the hospital setting.

Marketing Health Services

Marketing is another aspect of the revolution that is foreign to traditional medical practice. Unheard of as little as two years ago, advertisements for hospitals and health clinics now seem ubiquitous. A sales technique, a gimmick? Yes, but far more importantly, marketing increasingly *must* be employed for survival in the new health marketplace. Providers cannot lose sight of the fact that they must be prepared to offer their customer, the patient, good reasons why that patient should utilize their services instead of somebody else's.

"Marketing is another aspect of the revolution that is foreign to traditional medical practice."

Distasteful and uncontrollable though it seems on its face, the marketing of health services is not an end unto itself. It will not attract patients unless it offers something they deem desirable: the best quality care at the most reasonable price.

Perhaps the most interesting, and most controversial from a competitive standpoint, innovation of the health care revolution is the melding of the health insurance function with the actual delivery of medical care. Several large health care companies, such as the Hospital Corporation of America (HCA), Humana Inc. and American Medical International are pioneering this concept.

Physicians, unlike hospitals, have not yet felt the full impact of the health "revolution," but they will, and soon. Doctors face a radically different and more difficult environment today, as patients are more demanding of them: patients don't want to wait forever in the reception area; they want access to the newest technology; they want minimum paperwork; they want proficiency; and, as always, they want the "personal touch."

The revolution will insist that physicians modify their behavior in ways previously thought impossible. In what is for the first time rapidly becoming a "buyer's" market, increasingly sophisticated patient consumers are seeking a more active role in health care decision-making. And in a cost-conscious atmosphere, doctors are being pressured to more carefully review their admissions practices and diagnostic test orders.

The traditional relationship between doctors and hospitals, always tenuous and arm's length, also is changing. The traditional "lines of business" are becoming less distinct, as hospitals move into free-standing care center markets to compete with fee-for-service physicians; and physicians perform more lab work and outpatient surgery that once was the exclusive province of the hospital.

Clearly, some of the changes occurring as part of the health care revolution are influencing physician behavior. For example, the prospective payment system, HMOs and other alternative delivery systems all share the common objective of reducing utilizations and services which are ordered, after all, by physicians.

"Some people view the revolution as a threat to the independence of physicians. Perhaps so: again, the transfer of power is from sellers to buyers."

Some people view the revolution as a threat to the independence of physicians. Perhaps so: again, the transfer of power is from sellers to buyers. The shift to the "marketplace" means that for the first time, *providers* and *insurers* have the burden of proof with respect to both the quality and price of their services.

The new marketplace won't be operating in a regulatory vacuum, however. At all levels of government we can anticipate further attempts at regulation, particularly in the area of cost containment. For example, the federal government is considering whether to adopt a prospective payment system such as the one now in place for hospitals and apply it to physicians. Many

states will be taking up legislation aimed at controlling hospital rates; and some states and localities will attempt to create "pools" of hospital revenues to help pay for care of the indigent.

This last issue undoubtedly will dominate the health care agenda for some time to come. The administration's reductions in Medicare and Medicaid funding, coupled with a shrinking tax base and cutbacks in support programs at state and local levels, have exacerbated the problem of indigent and uncompensated care.

To provide free medical care, we have built public hospitals, using tax dollars. But the competitive spirit of the health care revolution has forced businesslike activity on hospitals of all stripes with the unfortunate result that they cannot meet the growing demands of uncompensated care without seeing an adverse impact on their ability to provide services.

"Free" medical care is free only to those who receive it, and we as a society are going to be faced with some hard choices about shouldering the burden equitably.

Ensuring Quality

The bottom line in health care today, and for the future, is a blend of cost consciousness with the demand for quality. All must play the game. Those who finance health care, and are thus accountable for costs, must commit themselves to sharing responsibility with that all-important cost-generator: the provider, be it physician or hospital. For example, an HMO that is based at a hospital would not survive if its medical staff did not have at least as strong an incentive as the hospital itself to minimize unnecessary utilization and improve productivity.

For this reason, we can expect more and more physicians to join with larger, multi-hospital systems to obtain much-needed help in such areas as finance, insurance, capital equipment acquisition and evaluation, and marketing.

For their part, hospitals will devise ways to involve physicians more deeply in the process of managing the health care system so that physicians can better understand today's cost pressures and so that hospital management can better understand ways to offer a high quality of care.

The trends of recent months all tell the same story: to survive in the health care "business," the providers of care must control not only costs, but the mechanism through which patients are funneled into health care channels. Beyond simple survival, to thrive in the new environment will require health providers to offer a full range of services themselves, or through contracts with other institutions or groups. They must control the costs of their benefits packages, "out-market" other hospitals or providers and, above all, maintain the quality of care.

Indeed, whether we like it or not, we are all now witness to the emergence of the medical/industrial complex in America. ■

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Opportunism on the Right: An Unholy Alliance Revisited

by Ken Ruberg

“**P**ower tends to corrupt,” 18th century British historian Lord Acton once wrote, but many of today’s New Right leaders, more concerned with making history than observing its lessons, appear eager to ignore his warning as they seek allies in a contest for political influence.

As background, in 1983 the Ripon Society released a report entitled “Theocracy on the Right: Reverend Sun Myung Moon and the American Political Process.” The report revealed substantial evidence of an emerging alliance between New Right political leaders and Reverend Sun Myung Moon’s deservedly controversial Unification Church. Having relied exclusively on public news reports, legal research and interviews with a few courageous conservatives, the report’s authors felt at the time that they’d only revealed the “tip of the iceberg”—an iceberg which today appears to be Titanic-sized.

The 1983 report disclosed that New Right direct mail fundraiser Richard Viguerie was marketing the Moonie-owned *Washington Times* to unsuspecting conservatives across the country, and earning hundreds of thousands of dollars in the process. New Right politicians and elected officials endorsed the *Times*, a daily newspaper of right-wing editorial opinions in which Unification Church-controlled organizations are now estimated to have invested more than \$125 million. On another front, the article carried serious allegations of financial and political cooperation between Church allies and the College Republican National Committee (CRNC)—a possibility that doesn’t reflect much on the Republican Party at large given the fact that the CRNC relates to Republicans in much the same way as barnacles relate to boats. Also revealed were numerous examples of cooperation in journalistic, academic and foreign policy endeavors of importance to both conservative politicians and the Unification Church.

Some conservatives attended a Ripon Society press conference held to make these charges public, and disrupted it by vocally asserting their innocence. In the days immediately following the report’s release, the Society was threatened with lawsuits and political retaliation. Yet it’s increasingly clear as the nation’s press begins to investigate the matter that all too many New Right leaders are committed to working with well-financed, politically interested Unification Church members to shape American politics.

In January of 1984, for example, the *Los Angeles Times* published two articles indicating that a Los Angeles County Republican Party employee, in her capacity as treasurer of the

California Republican Youth Caucus, had solicited and accepted a \$5,000 contribution from CAUSA, Moon’s principal anti-communist effort. Three months later, San Francisco public television station KQED broadcast a program outlining the Unification Church’s political presence in Latin America, and concluded that “Reverend Moon has aligned himself with the New Right on two issues: anti-communism and tax exemptions accorded to religious organizations . . . it seems that Reverend Moon will continue in his attempts to influence the New Right and other conservative American organizations.”

“ . . . leaders of the New Right could be at something of a loss to explain their close association with the Unification Church to the conservative Americans who support them.”

Events followed a bizarre course in July of 1984 when former *Times* editor James Whelan, who had earlier attacked Ripon’s report as charges made by a “discredited leftist sect,” declared that “the *Washington Times* has become a ‘Moonie’ newspaper.” More important revelations of Unification Church political ties to the New Right came in September, however, when the *Washington Post* published two lengthy articles on the alliance.

The *Post* articles indicated that “the Unification Church . . . is spending millions of dollars a year on a broad range of cultural and political programs;” that “the church also is using its vast financial resources to foster a budding alliance with the New Right and conservative political leaders,” and that “it also has contributed \$500,000 to finance an anticommunist lobbying campaign headed by Terry Dolan, chairman of the National Conservative Political Action Committee.” Following the *Post* articles and an NBC television program along similar lines, one of Dolan’s spokesmen responded by attacking the existence of an American media campaign in support of communism.

It’s frightening to note that only a few leaders on the Right seem inclined to publicly question the propriety of cooperation between evangelical “pro-family” conservatives and a quasi-religious movement which has been investigated by the Congress, which is attacked by parents as a cult and which is led by a charismatic figure believed by his followers to be the Messiah. For its part, the conservative Heritage Foundation has published an essay admitting that New Right supporters are “in a rather uneasy position as Sun Myung Moon has come acourting” and suggesting that “the views of the Unification Church might cause discomfort for conservatives primarily concerned with individual liberty.” The *Washington Post* articles, indicating

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Ken Ruberg, an occasional contributor to the Forum, is a founding director of MAINSTREAM, a grass roots political organization for centrist and progressive Republicans.

Here's What the News Media Isn't Telling You About Trends in the Republican Party

by Dale Curtis

As they say, there's good news and there's bad news. The bad news is that if, like most Americans, you get the better part of your political news from the usual national media outlets, you are missing a big part of what is going on in the never-ending battle for the soul of the Republican Party.

Judging from press coverage, one might guess that after Nelson Rockefeller's death, Gerald Ford's retirement, and Jacob Javits's defeat, the entire moderate/liberal wing of the GOP had mysteriously disappeared as well. The good news, as you know from reading the *Ripon Forum*, is that they have not. In fact, as the reporters have also missed, 1985 has been the most exciting year for moderate and progressive Republicans since the triumphs of 1966. What's going on, you ask?

"In fact, as reporters have also missed, 1985 has been the most exciting year for moderate and progressive Republicans since the triumphs of 1966."

It seems odd to claim unheard-of moderate Republican advances in the wake of Ronald Reagan's impressive 1984 performance. The Dallas convention was (even by Republican standards) unnervingly harmonious, more like a pep rally than a political pow-wow. And as observers from all sides of the political dialogue will point out, the president's victory was solid everywhere but in the most hard-core Democratic demographic groups.

But it has also become commonplace to point out that American voters in 1984 seem to have endorsed something other than the president's conservative agenda. There was no conservative sweep of Congress, no Republican gains in the statehouses. Despite the clear choice offered to voters, there was less of an ideological edge to this election than in 1980. Instead, the electorate expressed general satisfaction with the president's upbeat, can-do attitude, and the moderate (shall we say Ripon-like?) course produced by the clash between a conservative White House and a moderately liberal Congress.

If you want to, you can read all this cliched knowledge in other publications. But what you probably haven't read about is the progressive movement's new energy and growing list of accomplishments. Indeed, in the not-too-distant future, we may look back on the post-Dallas year as the turning point for moderate/liberal Republicanism.

Momentum

The momentum was started, as a matter of fact, in Dallas. Several dozen activists organized there under the banner of Congressman Jim Leach's Republican Mainstream Committee, and worked hard in making their respectful dissent known to hundreds of curious attendees. Even more important, the impact of Mainstream's Dallas operation upon progressive Republican activists themselves cannot be overstated. The heavy schedule of activities were the first organized, conscious efforts to promote moderate Republicanism since the dawn of the Age of Reagan. From leaders like Leach, former Republican National Committee Chair Mary Louise Smith, and New York State Senator Roy Goodman, on down to the college students and congressional aides who were an integral part of the effort, there emerged a clear-eyed understanding of where progressives stand, and an invigorating determination to return in better standing by 1988.

In the election campaign which followed, center-left Republicans enjoyed the generally positive atmosphere for incumbents—the only moderate/liberal Republican defeated in 1984 was Senator Charles Percy, who fell in Illinois by one percentage point. In the House, Ripon Republicans picked up at least four new sympathetic members, including John Rowland in Connecticut, Jan Meyers in Kansas, Paul Henry in Gerald Ford's old Michigan seat, and John Miller in Washington.

A description of moderate activity during the campaign season would not be complete without mentioning MODRNPAC and the New Leadership Fund, two political action committees which funnel money directly to moderate Republican challengers. In 1984, MODRNPAC contributed to 15 races, eight winners among them, including Henry, Meyers, and Miller; the New Leadership Fund (NLF) endorsed six successful candidates including Representatives Meyers, Henry, Miller, and Michael Strang of Colorado, Senator Mitch McConnell of Kentucky, and Becky Morgan, a State Senate candidate in California. MODRNPAC hopes to expand its circle of beneficiaries in 1986, as does NLF, which will be circulating a newsletter this fall giving early endorsements for 1986.

Dale Curtis is a member of the Ripon Forum editorial board.

In Washington

After the election and back in Washington, there have been other encouraging developments this year. Foremost among them is in the Senate, where moderates like Bob Packwood, Mark Hatfield, John Chafee, John Heinz, John Danforth, and David Durenberger have swept into major leadership positions (all but Packwood are members of Ripon's Congressional Advisory Board). Moreover, Bob Dole's election as majority leader over four more conservative challengers was seen by many as a signal that in the president's second term, Senate Republicans want a pragmatic leader who can deal on independent, equal terms with the White House.

“. . . news of the 92 Group budget was lost amid the cliffhanging stories of Senate attempts to reach a budget the White House could accept.”

The moderate atmosphere is not limited to the leadership. Even such regular conservatives as Barry Goldwater, Charles Grassley, and Richard Lugar have gained attention this year for progressive positions on defense spending, foreign aid, and sanctions toward South Africa. In summary, one could easily claim that the Republican Senate, despite a New Right presence that contributes to the GOP majority, is governing in Ripon-like style, and taking much of the heat for responsible government thus far in President Reagan's second term.

On the House side, conservative opportunists like Newt Gingrich still generate the greatest amount of noise; Jack Kemp continues to attract the pundits and television cameras. But again, the progressives are there and they're busy. Nearly forty moderate and liberal Republicans joined together in January to form the 92 Group, named for 1992, when a pragmatic GOP has its next reasonable shot at attaining a House majority.

Led by Tom Tauke of Iowa and Olympia Snowe of Maine, and made up primarily of members elected since 1978, the 92 Group advocates sensible positions on hot issues like the budget, trade, tax reform, and South Africa. In fact, the group deserves far more credit and recognition for its work during the budget deliberations than it received from the national media, who were mesmerized by the conflict between White House and Senate.

“The Republican Mainstream College Federation, formed in September as an outgrowth of the New Republican Network and Mainstream, claims representation on 17 campuses. Over three hundred students joined the group in its first month at the University of Southern California.”

The 92 Group offered a full-blown budget alternative, including a courageous call for a one-year freeze on all government spending including defense at 1985 levels, and further reforms and cuts that added up to documented savings over three years of \$275 billion. All that without a tax increase and without touching politically sensitive Social Security benefits. It's unfortunate not just for the 92 Group, but for the country that news of the 92 Group budget was lost amid the cliffhanging stories of Senate attempts to reach a budget the White House could accept.

The new optimism among moderate and progressive Republicans extends down to young people taking their first steps into the political world. The repeated news stories of young people joining the GOP out of admiration for right-wing causes and Ronald Reagan prompted former Mainstream-in-Dallas volunteers and 92 Group aides to form the New Republican Network, which is aimed at offering congressional aides and summer interns an alternative set of Republican party activities. New Ripon chapters are in formation at universities like Georgetown and Brandeis, and are attracting a great deal of interest and conservative College Republican opposition. Moreover, the Republican Mainstream College Federation, formed in September as an outgrowth of the New Republican Network and Mainstream, claims representation on 17 campuses across the country. Over three hundred students joined the group in its first month at the University of Southern California.

Finally, the Ripon Society and Republican Mainstream Committee themselves did not return to Washington from Dallas in a complacent mood. Mainstream operatives have outlined a detailed agenda for reviving national moderate influence over the next three years, and have begun the arduous effort of traveling around the country to raise funds and recruit like-minded helpers. Ripon managed to pull off one of the major achievements of its 20-year history in July, when it hosted the enormously successful Republican of the Year dinner for Vice President George Bush. The event, which set off conservative alarms and *did* appear in *Newsweek*, succeeded in raising enough money to establish the new Mark Hatfield Scholarship Fund for Ripon Society fellows and interns, and provided left over funds for stepped-up direct mail efforts.

A New Generation, New Trends

Across the country, other less overtly political trends offer new potential to the inheritors of the Roosevelt-Eisenhower tradition. So much has been written and said about the “yuppie” generation in the standard media that it hardly needs rehashing here. But the fact exists that the history-making Baby Boomers are the best-educated, most affluent generation of Americans ever.

The Baby Boomers, and their younger brothers and sisters who are now coming of age, grew up in the midst and the aftermath of the Vietnam debacle, the sexual and civil rights revolutions, and the abortive attempts at Washington-directed economic and social progress. Their affinity for Ronald Reagan is best understood as a desire for strong leadership after years of drift, and as an appreciation of Reagan's manifest libertarian streak. Leaders in both parties claim to understand the hopes and needs of this powerful new generation, but neither party has offered a program that has firmly captured their loyalty.

On the economic and social fronts, conditions seem tailor-made for a new Republican era based on sensible traditions and progressive ideals. After years of volatile economic conditions, Americans finally realize the value of a stable, sustained program of low taxes and limited government. Reform of the

“There is a great body of under-noticed evidence that after lying stunned for several years, moderate and progressive Republicans are again breathing freely and flexing atrophied muscle.”

educational system, long overdue and sorely needed in an advanced economy based on services and high technology, has finally caught the public's imagination. Equal rights and equal pay for women and minorities of comparable ability has become the accepted standard, and will increasingly become the reality. And in a nation of great cultural diversity, where the post-1960's generation holds so much power to shape national attitudes, a libertarian, tolerant attitude is far more common among people young and old than the mindset of the Moral Majority.

In matters of foreign policy, we are witnessing an interesting response to the postwar trends of nuclear proliferation, communist expansionism, and Third World unrest. Political writers have missed the fact the new consensus on foreign policy mirrors the successful moderate Republican formula of big sticks and soft words. The response to conflicts with Nicaragua or the Soviet Union show that Americans understand policies of military buildup or endless negotiation by themselves are ultimately futile. Progressive Republicans have always understood that the combination of military strength and serious, innovative, aggressive diplomacy is a powerful tool for achieving international harmony and progress.

The Long Run

There is, therefore, a great body of undernoticed evidence that after lying stunned for several years, moderate and progressive Republicans are again breathing freely and flexing atrophied muscle. But the question remains, as it always has: do moderate and liberal Republicans possess the stomach and stamina necessary to keep the momentum going over the long haul? The new optimism will be sorely challenged in the months to come.

"In strategic terms, there are two primary challenges: fundraising and coordination of effort."

In strategic terms, there are two primary challenges: fundraising and coordination of effort. In American politics, power is a

Opportunism on the Right

continued from page 15

that some New Right leaders fear a public backlash damaging to the conservative cause, cited a stronger warning by conservative activist Neal Blair: "The Unification Church is trying to buy its way into the conservative movement. Moon says he's the son of God and the savior of the world . . . It's frightening. Seldom have we had a group come into this country before and have this much money to spend."

In fact, while it's impossible to ascribe motives precisely, it seems clear now that money must have much to do with the New Right's general willingness to associate with Reverend Moon and therefore help legitimize his questionable agenda. A prime example is aid to the Nicaraguan contras. This issue, among the Right's highest priorities, was boosted tremendously last spring as the Unification Church founded with an initial contribution of \$100,000 a "Nicaraguan Freedom Fund" which seeks to raise millions in the Contras behalf.

direct function of the funding and membership identification one can claim, and it is impossible to develop a growing membership without large amounts of money. Moderates have been successful at reviving their spirits and their determination, but to continue on at this point requires that those qualities be translated into cold, hard cash. And remember, it is the New Right and the centralized, institutional GOP that have set the new standard for fundraising success.

Mainstream's agenda for 1985-88 calls for raising enough money to support direct mail, candidate recruitment, political advertising, fundraising events, a national political newsletter, and a major national conference of moderate and liberal Republicans in 1986. Despite the successful dinner for Vice President Bush, Ripon still needs far more money for direct mail and a new membership drive, chapter development, expanded staff and logistical costs, and an investment in upgrading the *Forum*. MODRNPAC and the New Leadership Fund hope to significantly increase their support of Republican candidates in 1986. The New Republican Network hopes to offer a full-scale schedule of activities through the summer of 1986, and the Mainstream College Federation may try to establish a national political newsletter for young leaders.

These ambitious plans underscore the need for fundraising and a better effort to coordinate strategy among the various moderate groups. There is no hope that Ripon-style Republicans can immediately match the success of the right wing—years of constant effort on their part have produced a formidable network of leaders and organizations devoted to clear tactical and philosophical goals. For the most part these groups work well together, and the results are quite obvious. We would do well to emulate their aggressiveness and cohesion.

Most of the events described above have been noted in one way or another by newspapers, magazines, and even the television networks. But the big picture that is most newsworthy has been missed. The national news media have failed to reach out beyond the standard "progressive-Republicans-are-an-oddity" stories to notice that there is a new situation of ferment among and potential for center-left Republicans. If those Republicans can keep their eyes and hands focused on a steady path of philosophical and strategic advancement through 1986, 1988, and on through to 1992, they could indeed someday say that 1985 was the *last* year they were ignored by the national press. ■

Add to the matter of funding public reports that conservative stalwarts Jeane Kirkpatrick and William Simon serve on the Fund's board, while well-connected hard-liners like retired General John Singlaub serve on CAUSA's advisory board. Even Moral Majority leader Jerry Falwell, on the same day he termed Nobel Peace Prize winner and Anglican Bishop Desmond Tutu a "phony," ironically found time to attend a press conference to say, "I think the president should pardon Reverend Moon."

Politics does indeed make strange bedfellows, but I suspect that leaders of the New Right could be at something of a loss to explain their close association with the Unification Church to the conservative Americans who support them. They'll undoubtedly make excuses by citing the need to fight communism (the shared enemies approach) or by blaming the "liberal media" (the conspiracy approach) or even by attacking the Ripon Society, but the fact remains that they've placed political expediency above principle. If the Right believes they represent the silent majority, they should also know that Americans recognize indecent political instincts when they see them. ■

Reviews Reviews Reviews Reviews Reviews Reviews Reviews Reviews

Tocqueville Redux or Which Way to Lake Wobegon?

by Alfred W. Tate

Habits of the Heart: Individualism and Commitment in American Life, Robert N. Bellah, Richard Madsen, William M. Sullivan, Ann Swidler, and Steven M. Tipton. Berkeley: University of California Press, 1985.

As a nation we perceive ourselves beset by foreign enemies. We see communists, whether of Soviet, Cuban or Nicaraguan stripe, lurking everywhere, awaiting only the smallest sign of weakness to fall upon us. Our so-called allies appear to our eyes even more invidious, seemingly intent on burying us under a mountain of shoes, small cars and VCRs.

For such a collective siege mentality it is easy to forget that the source of the most serious threat to our way of life was once thought to be domestic. As a people we are not much given to introspection, and the possibility that there might be something about the American experience that has shaped our character in such a way as to undermine the conditions which make democracy work is difficult to accept. Yet this is precisely what the authors of *Habits of the Heart* would have us believe. They have met the enemy and, as Pogo put it, "they are us."

Tocqueville's Portrait

The book is the outgrowth of four research projects in the course of which over 200 Americans were asked to talk about themselves, their personal relationships, their work and their political involvement. As its authors acknowledge, however, the book is not simply a report of the content of these conversations; it is, rather, a portrait of contemporary America which uses for its outline observations on life in the United States made 150 years ago by the French philosopher Alexis de Tocqueville and published in his classic *Democracy in America*.

Tocqueville came to this country in 1831 to discover why our revolution had achieved a stable democracy while France's had not. He concluded that a desire for equality underlies all democratic revolutions, but that once achieved this condition fosters a pernicious vice that is its undoing. This vice he identified as "individualism," by which he meant a propensity "which disposes each member of the community to sever himself from the mass of his fellows and to draw apart with his family and friends, so that after he has thus formed a little circle of his own, he willingly leaves society at large to itself."

Individualism thus understood is very different from selfish-

ness, a universal vice, and is an affliction peculiar to democracies. In a democracy, each citizen tends to see himself as the equal of every other, thus ultimately neither dependent on nor responsible for anyone other than themselves. This tendency accounted for the instability of democracies, Tocqueville became convinced, because the indifference to the problems of society it fostered made fledgling attempts at self-government vulnerable to being taken over by despots, who indulged it by encouraging citizens to tend their own garden, as it were, and to leave the messy work of governing to them.

"Tocqueville believed two specific traditions molded the characters of the first generations of Americans . . . The first was Bible-based religion . . . The second was our tradition of republican government."

Tocqueville identified a number of factors as contributing to the longevity of democracy in North America. The absence of powerful rivals in this hemisphere, the existence of a vast frontier in the taming of which the ambitious could expend their energies, the lack of a single dominant metropolitan center whose elite could aspire to power, and the fact that our revolution was not preceded by centuries of aristocratic rule to heighten the animosity dividing people, all helped sustain democracy in this country. The balance of powers established by the Constitution and its creation of an independent judiciary as a check against the recesses of a potentially tyrannous majority were even more important in this regard. But according to Tocqueville the most important single factor nurturing democracy in America was what he found to be the sum total of its citizens's customs, mores, notions, manners, opinions and ideas "which constitute their characters of mind," their "habits of the heart."

Tocqueville believed two specific traditions molded the characters of the first generations of Americans in such a way as to inure them to the temptations of individualism. The first was the Bible-based religion which pervaded the United States in the first half of the 19th century. Citing as an example of its effect the life of John Winthrop, first governor of the Massachusetts Bay Colony, Tocqueville concluded their religiosity led Americans

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to understand the liberty they had won to be the freedom to act altruistically under the auspices of a transcendent deity, rather than the license to behave solely as self-interest dictated. Thus, although it taught the equality of all before God, religion sustained democracy in this country by at the same time calling on each individual to put the concerns of neighbor and society ahead of those of self.

"The authors of Habits of the Heart see in our history the development of a tendency toward two related types of the individualism Tocqueville warned against. The first they call 'utilitarian individualism' . . . the second 'expressive individualism.'"

The second element in our experience Tocqueville identified as acting as an antidote to individualism was our tradition of republican government. He warned his European readers, however, that our republic was not like those to which they were accustomed, where a partisan few claimed to rule in the name of the many. Ours he said was "founded upon the enlightened will of the people," and represented "the tranquil rule of the majority." This was true because from its first settlement to the time in which he was writing, the United States consisted of small, relatively isolated communities, and the most important level of government in this country was, therefore, the local or municipal level. Here citizen participation was direct and immediate and the majority really did rule. For Americans the model of governance was the participatory democracy of the town meeting, and there, as they were in church, our citizens were educated to act for the good of the community rather than simply for themselves.

Two Types of Individualism

Over against these two formative aspects of our national experience, the authors of *Habits of the Heart* see in our history the development of a tendency toward two related types of the individualism Tocqueville warned against. The first they call "utilitarian individualism," and cite as its paradigm the Benjamin Franklin of his *Autobiography* and *Poor Richard's Almanac*. Here any action or opportunity is evaluated in terms of the degree to which it provides a boost to the individual's efforts to get ahead. By extension, according to this way of thinking, that society is best—and therefore most productive of the good—which least hinders the individual's pursuit of his or her material well-being.

Bellah and his co-authors call their second type "expressive individualism" and identify as its exemplar the Walt Whitman of *Leaves of Grass* and particularly *Song of Myself*. Here the focus

"Bellah and his co-authors find that the most distinctive characteristic of contemporary society is its compartmentalization."

and measure of value is not the accumulation of wealth and status, but the exploration and cultivation of the seemingly infinite possibilities for expressing one's selfhood.

"Habits of the Heart concludes that individualism has triumphed in America."

Habits of the Heart concludes that individualism has triumphed in America and that these two related descriptions of what life here is all about have gained general acceptance as the sources of the only meaningful terms under which meaning and value can be discussed. One reason given for this development is the way in which religion has become an adjunct of psychology and turned inward to focus on personal fulfillment, while the natural and social sciences have taken over the explanation and management of the world outside the self. In the process, religion has gone from a check against to a positive reinforcement for our tendencies toward individualism. Further, as the problems we face as a society have become more complex, more costly to solve as well as national and international in scope, belief in the importance of local government has eroded. People no longer believe they can understand, much less effectively contribute to the solving of society's ills. Thus the influence of our republican tradition in politics has waned and our governance is increasingly given over to technocrats.

In arriving at this conclusion, Bellah and his co-authors find that—in marked contrast to the 19th century in which the personal, familial, communal and work dimensions of experience formed a more nearly integrated and organic whole—the most distinctive characteristic of contemporary society is its compartmentalization. The impetus for this came in the transformation of work which took place with industrialization, and in the process of which, according to Bellah, "the bureaucratic organization of the business corporation has become the dominant force in this century."

As a result, while the image of the self-made entrepreneur is often held up to us as our ideal, the type much closer to reality in America is that of the manager. The manager's task is to organize the human and material resources of the corporation to enhance its position in the marketplace. The manager's success—and thus remuneration—is measured in terms of the effectiveness with which he or she manipulates these resources and this in turn is measured in terms of profit and loss on the balance sheet. This is, as the popular idiom puts it, "the bottom line." Thus of primary importance to the manager is the efficiency of the process they oversee, not the ends that process serves. The manager must be concerned with how well that portion of the process they are responsible for functions. They cannot be concerned with the values it produces, that is literally out of their hands.

The counterpart of the image of the "manager" in personal life is that of the "therapist." Like the former, the latter is an ideal type and in our society health and maturity consists in the degree to which each of us assumes the role for ourselves. The therapeutic self's task is to organize the variety of identities we must assume at work and at home into a "lifestyle" that is both economically feasible and psychically bearable. Here success is measured in terms of our ability to orchestrate our efforts to strike a balance between the demands placed on us as employee, spouse, friend, parent and child while meeting our own personal

needs as the unique and singularly worthwhile self we believe—or our culture tells us—we are.

The therapeutic image of selfhood is essentially the projection onto personal life of the contractual structure of the bureaucratic world of work in which the manager operates. Moreover, Bellah writes, "the therapist, like the manager, takes the ends as they are given; focus is upon the effectiveness of means." Questions of what if any larger good might be served beyond self-aggrandizement and fulfillment do not and cannot arise when personal life is seen as such a balancing act.

The effects of the triumph of individualism and the acceptance of these models as guides in our work and personal lives is everywhere apparent in the conversations the authors of *Habits of the Heart* had with Americans. Perhaps the most important result is that where once we lived as integral parts of organic communities, we now find ourselves coming together in "lifestyle enclaves." According to the book, these are collections of individuals who find themselves in proximity because they share both a similar understanding of what makes up the demands/needs equation the therapeutic self must try to balance and, possess approximately the same material resources for doing so.

Because these factors are different for "yuppies" and blue-collar workers and change as we move from being single to being parents with school age children to retirement, our groupings are uniform in makeup and short-lived in duration. Our lives are thus diminished in two ways. Because we live with people like ourselves, we are denied a sense of life's fullness by our isolation from exposure to the diversity of human experience. Because we live with people of our own generation, we are denied a sense of life's connections through being cut off from a meaningful past and purposeful future.

"This is a remarkable book, and what makes it so remarkable is the way in which its shortcomings are themselves symptomatic of the societal ills the book attempts to explicate."

Most troubling is the potential threat all this poses for the future of our democracy. Radical individualism and the changes it represents in the way we think about ourselves and the nature of our relationships with and commitment to others provides no basis for the mutual acceptance of the sort of broader values and goals which, by transcending the parochial and transient concerns which bring us together in "lifestyle enclaves," make the existence of a large, pluralistic society possible. We are, as the efforts to do so recorded in *Habits of the Heart* reveal, bereft of even the vocabulary necessary to articulate and debate the questions of value and commitment on the resolution of which our future as a nation depends.

Shortcomings

This is a remarkable book, and what makes it so remarkable is the way in which its shortcomings are themselves symptomatic of the societal ills the book attempts to explicate. The authors of *Habits of the Heart* are uncertain whether they are social scientists, and thus engaged in explaining us to ourselves, or philosophers, and thus embarked on providing us a vision of the future which will move us to form a more perfect union. Underlying

this uncertainty is perhaps the realization that the science in which we have invested our hopes for the future can dissect and explain our past and present but cannot articulate a vision of that future capable of uniting us in action toward its realization. At any rate, the book's treatment of the history of the rise of individualism and its description of the pass to which it has brought us rings true. Its efforts in the concluding chapters to point to how we might proceed remedying this situation are unclear and unconvincing.

The book's conclusion that the focus of religion in this country on personal life and the way in which the perceived irrelevance of local government has undermined our republican tradition of political involvement have combined to rob us of any shared vocabulary expressive of values transcending individualism also rings true. Unhappily, the book underlines this point by using a vocabulary which itself will be readily understandable by only a small fraction of Americans. Most if not all of these will be found in academic "enclaves," and it is highly unlikely that anyone in a position of national leadership will be capable of the effort reading it requires.

The final measure of the value of a book of this sort, however, is the degree to which it helps us better understand the predicament in which we find ourselves. On this basis it can be recommended without reservation as well worth the struggle.

"The greatest service the authors of Habits of the Heart perform is in making unmistakably clear the inherent contradiction in efforts to unify and lead as diverse a nation as ours through an appeal to self-interest."

The greatest service the authors of *Habits of the Heart* perform is in making unmistakably clear the inherent contradiction in efforts to unify and lead as diverse a nation as ours through an appeal to self-interest. Our national debt will soon pass two trillion dollars and we cannot come within \$200 billion of balancing our budget for the next fiscal year because we lack the sense of larger purpose which would make worthwhile the inevitable sacrifice cutting spending would entail. Congress is not at fault in this situation, it merely reflects the inability of the various "lifestyle enclave" its members represent to see beyond their own individual demands and needs. Efforts at substantive tax reform will most certainly founder for the same reason.

The perspective *Habits of the Heart* provides on the last presidential election is particularly illuminating. In this light Walter Mondale was rejected by a majority of voters because he was perceived as lacking any larger vision and because he was believed to appeal to the special interests of so many groups that none of us could be really sure he had ours at heart. From this perspective President Reagan, on the other hand, can be seen as successfully exploiting the fact that a majority of us so yearn for such a larger vision that we were willing to overlook the fact that his is expressed in a rhetoric so hackneyed as to be devoid of any connection with the complex realities we face as a nation.

In times like these one way of uniting a nation is to appeal to the real or imagined threat posed by external foes. The danger of doing so in a nuclear age is clear. *Habits of the Heart* draws the lesson that it is equally foolhardy to attempt to lead a society such as ours through appeals to the very internal forces that are threatening to undo it. ■

The Chairman's Corner: *Cargo Preference: A Scandal Made in Congress*

by Jim Leach

While Americans are increasingly importing goods marked "Made in Japan," a scandal "Made in Congress" is decreasing exports. No issue provides a more compelling case for campaign finance reform than does cargo preference.

The 1954 Cargo Preference Act mandates that at least 50 percent of government-generated cargo must be transported on American flag ships, thus adding \$1.53 to the cost of each bushel of corn and \$1.78 to the cost of each bushel of soybeans exported from our shores.

Much of the impact of our humanitarian aid programs are being gutted by the political and financial influence of a lobby whose sole purpose appears to be to protect if not expand cargo preference subsidies. As the drought and starvation rage in East Africa, babies are dying because government is responding inordinately to well-healed special interests rather than profound humanitarian concerns.

Since the inception of the Food for Peace program, the Department of Agriculture has paid approximately \$1.6 billion in added shipping costs to a handful of American shipping companies. Last year alone, the—"ocean freight differential"—as it is termed by the maritime industry, reduced the effectiveness of assistance programs by more than \$131 million.

The American Soybean Association put into perspective last spring the cost of cargo preference to assist the African emergency. In testimony before Congress, the Association reported that the cost is sufficient to land in Ethiopia or Sudan on foreign flag ships enough wheat and soybean oil to provide over 480,000 people one pound of wheat and one ounce of soybean oil per day for one year.

Farm interests are not the only groups supporting the elimination of cargo preference laws. The Grace Commission in its findings and the Congressional Budget Office have both recommended the immediate elimination of cargo preference for non-military shipments with estimated cost savings to the budget of more than \$1 billion over the next five years.

Moreover, all serious congressional reform panels have recommended elimination of the Merchant Marine and Fisheries Committee because its primary function is to protect a sick industry in a sick way. Conflicts of interest have in fact been so rife that three of the last four chairmen of the committee have lost their seats, not to challengers, but to judges. Federal indictments have changed the membership but not the pro-industry bias of the committee.

The disproportionate influence of the small but powerful

"Much of the impact of our humanitarian aid programs is being gutted by the political and financial influence of a lobby whose sole purpose appears to be to protect if not expand cargo preference subsidies."

maritime unions cannot be overstated. During the 1983-84 election cycle, the three major maritime unions contributed \$2,443,910 to presidential and congressional candidates, or a staggering average of approximately \$4,600 per seat in Congress.

This influence is not new. In 1976, for example, maritime interests contributed over \$200,000 to the campaign of former President Carter. A cynic would not consider it to be happenstance that the Carter administration subsequently submitted a bill to Congress against the advice of the Departments of State and Defense that would have required 20 percent of U.S. ocean-borne oil imports to be carried on U.S. flag, U.S. built tankers. This law, if it had passed, would have boosted the cost of production for farmers and the cost of living for rural citizens substantially. Fortunately, Congress was able to restrain the Executive.

It is no wonder that these massive sums of money can be poured into political coffers when government payments for cargo preference and other maritime subsidies result in payments of \$162,000 per worker on a typical U.S.-flag dry bulk carrier.

A classic example of the scandalous influence of the maritime unions occurred in May when in a Foreign Affairs Committee markup of the Food for Peace program an amendment was offered to exempt PL480 shipments from cargo preference requirements. The amendment was quietly ruled out of order and referred instead to the Merchant Marine and Fisheries Committee—where it will never see the light of day. The financial influence of the maritime industry not only impacts legislation but the legislative process as well.

There have been a number of bills introduced in Congress in reaction to a recent district court decision to apply cargo preference requirements to the USDA's blended credit export program. Other legislation goes substantially further: it would exempt all agricultural exports and humanitarian aid assistance from cargo preference requirements.

Adoption of this legislation would be an important step in balancing our trade deficit as well as the federal budget. It is time to get the big money out of politics and thus the big interests out of the pockets of legislators who vote on single-issue subsidies of this nature. But it will not be easy. ■

Jim Leach is a member of Congress from Iowa and chairman of the Ripon Society.

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George Bush and Jim Leach at the Ripon Society's 23rd annual dinner.

Over 400 guests turned out on July 30 for the Ripon Society's most successful annual dinner, which honored Vice President George Bush as the Society's "Republican of the Year." Although National Conservative Political Action Committee chairman Terry Dolan complained that Bush's appearance "scared the hell out of him," the vice-president made clear his political leanings at the outset. "I am not here under any false colors. I am a conservative," Bush told the gathering. But the vice-president went on to say that the Republican Party must encompass a wide variety of individuals, and that the Ripon Society had contributed to the GOP's commitment to equal opportunity for minorities. That "open umbrella" concept must scare the Far Right, however, as they peppered publications like *The Washington Times* with accusations that the vice-president made a mistake in appearing before the Ripon Society. But like congressman Jack Kemp, who has appeared twice before Ripon gatherings, the vice-president spoke of the need for the GOP to lead by ideas, and said that the Mark Hatfield Scholarship Fund, which the dinner benefited, was an important part of this task. Senator Hatfield also spoke at the dinner, and urged the Society to maintain its commitment to scholarship and political activism. . . .

Political News

Research executive Clark C. Abt has announced his candidacy for Massachusetts's Eighth Congressional District, the seat now held by retiring Speaker of the House Thomas P. (Tip) O'Neill, Jr. In his first foray into politics, the president of Abt Associates, one of the nation's largest research firms, claims that his task is "to be enough better qualified so that people will say in this case the man and the issues are more important than party affiliation." There is good reason for that observation: a district poll by Richard Wirthlin shows that the GOP is per-



Mary Louise Smith and Mark Hatfield visit at Ripon annual dinner.

ceived as being "mean-spirited toward the needy." Abt says he wants to turn that image around, and that he is "interested in leveling up, not leveling down." . . .

The battle within the Texas GOP is not only for the 1986 gubernatorial nod, which former governor William Clements, Representative Tom Loeffler, and former Democratic senatorial aspirant Kent Hance are seeking, but also for control of the state Republican Party. The *Fort Worth Star-Telegram*, for example, reports that Texas Senator Phil Gramm, the state's top-ranking Republican, may have overplayed his hand by "all but endorsing" Hance this spring when the former Democratic congressman joined the GOP. Should the front-running Clements capture the nomination, the *Star-Telegram* reports, then Gramm may face a power struggle with the former party head . . .

Illinois GOP Governor James R. Thompson's announcement that he will seek a fourth term came as no surprise to the state's political observers, but the announcement by Maine GOP Congressman and Ripon Congressional Advisory Board member Jock McKernan that he will seek the GOP gubernatorial nomination did end months of speculation about McKernan's plans.

After North Carolina Republican Senator John East announced this summer that he will not seek reelection, James Broyhill, a 23 year member of Congress with a conservative but not hard-line voting record, decided to enter the GOP senatorial primary. Broyhill will face David Funderburk, a former ambassador to Rumania who has been endorsed by Jesse Helm's Congressional Club. The race will pit a traditional conservative, Broyhill, versus a Far Right conservative, Funderburk.

Sources within the Hawaii GOP report that Patricia Saiki, state GOP chair, might consider running for governor. But if Democratic Congressman Cecil Hertel decides to seek the office, which would make him the favorite since the state remains heavily Democratic, then Saiki might go after Hertel's congressional seat.

The President's Second American Revolution—Part II

Accurate political forecasts are seldom easy, even less so when Congress is the subject, and early pre-publishing deadlines expose the forecasts found here to a brutal test of time. Occasionally, however, even this Congress watcher stumbles upon the truth, as evidenced in the last *Forum* when predictions of increasingly greater independence among congressional Republicans were made.

In the August *Forum* it was suggested that House and Senate Republicans would continue to show a dramatically decreasing inclination to march in step with White House wishes. Additionally, it was noted that this emerging mood of independence doesn't stem directly from any impending shift to the political center by Republicans in the Congress, although the mood could help empower moderates who walk a tightrope in attempting to balance philosophical integrity, constituent interests and loyalty to the president.

In part because of inactivity on substantial legislation, the nation's press paid a good deal of attention in recent weeks to the breach between administration and congressional Republicans. Throughout July, news stories focused on the very real conflict between Republican senators and White House officials over budget cuts, particularly Social Security. After House passage of a tough South Africa sanctions bill in late July and South African rioting in August, the president was forced to move away from a policy of "constructive engagement" and unilaterally impose his own sanctions because of the realization that congressional Republicans would not uphold a presidential veto of legislation he opposed . . .

Ten senators, including Senate Majority Leader Bob Dole and four other Republicans, filed a friend-of-the-court brief with the Supreme Court in late August which argued that the administration's position in a North Carolina voting rights case was "expressly rejected by Congress" when it amended the Voting Rights Act in 1982. For different and more political reasons, the Republican National Committee also filed a brief opposing the Justice Department's position . . .

Following a month-long recess during which legislators undoubtedly heard more about economic reality than about Republican realignment, House and Senate GOP leaders returned to Washington to warn that trade, farm and deficit problems were more politically important than the president's priority—tax reform. Soon after, the White House staff began publicizing the

president's popularity ratings and on September 5 the *Washington Post's* lead headline read "Reagan Admonishes Restive Republicans."

But events in late September made it clear that Republican legislators are maintaining their independence. During debate of farm legislation on September 26, the House of Representatives voted to defeat two amendments aimed at further reducing dairy and sugar price supports. Both amendments were supported by the administration and Republican leadership; both were opposed by near or actual majorities of House Republicans mindful of a farm belt depression.

The above-mentioned philosophical and political differences between Republicans are the result of factors too numerous and complex to discuss here, but it's clear that those differences will be even more evident in upcoming months.

By the time you read this, Congress will have debated legislation to increase the public debt limit—legislation which may be subject to amendments dealing with abortion, school prayer, the line-item veto, tougher sanctions on South Africa and further spending reductions, all of which divide Republicans philosophically. Moreover, it appears that Congress will eventually debate farm credit, trade and tax reform initiatives, all of which divide Republicans geographically.

The point in highlighting current Republican divisions within the Congress isn't to praise conflict, but to stress its growing presence and to suggest that Republican philosophical diversity in Congress and throughout the party is and will be nothing less than an elemental influence throughout the remainder of the president's second term and thereafter. Analyses which downplay or ignore this factor, or which simplistically attribute White House-congressional friction to personality conflicts, miss the point. The key long-term question is whether competing Republican and conservative constituencies can successfully co-exist as the Republican Party expands in size. ■

In the next *Forum*, Congress's antipathy toward birth control (programs), and the reaction of congressional moderates to the Geneva summit.