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THE GREEN SHEET

News About the U.S. Department of Health, Education, and Welfare

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GUEST EDITORIAL

Here is another editorial solicited this time by our Denver Regional Office on how editorial writers and other opinion leaders view HEW and its impact, good or bad, on the people served. This one is from the Helena, Denver Independent Record.

By Ken Robertson
Managing Editor

Independent Record

Remember the old party game in which the participants sit in a circle and someone starts it out by whispering a message in the ear of the person next to him?

Nowadays, it's not so popular, but it was the game in which the message was passed around the circle until it finally got back to the originator, who then announced to the group what distortions had crept in during the trip around the circle.

At parties, that game is dead, but it is alive and well, hiding out in federal offices across the nation. Now that's not a claim I make lightly. It's based on six years as a reporter, press aide to a governor and managing editor. The game works rather differently in the federal bureaucracy, because instead of sitting in a circle, the bureaucrats pass around messages by telephone, letter or office communique. But the result is the same, regardless of the agency. All pass along their message from Washington, D.C., to regional offices, to federal offices in each state with built-in miscommunication. And, what is sent back from the hinterlands, to the regional offices, to Washington, fares no better.

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N.Y. Times
June 8, 1976, p. 24

UNDERUSE OF DRUGS BY AGED REPORTED

WASHINGTON, June 7 (UPI) —Underuse of drugs may be a greater problem among the elderly than overuse. Government drug abuse officials told a joint session of Senate subcommittees on aging alcoholism and narcotics today.

Some witnesses expressed concern about the overprescribing of tranquilizers, sedatives and hypnotic drugs to create "chemical straitjackets" among nursing home patients.

"However, it should be noted underuse of drugs by the aged may be a greater problem in view of the fact that 95 percent of the elderly population are not institutionalized and are more likely to encounter economic and physical problems in gaining access to medical facilities," said James Isbister, the chief of the Alcohol, Drug Abuse and Mental Health Administration.

Dr. Robert L. Dupont, director of the National Institute on Drug Abuse, said that underuse of drugs could result from aged persons' taking drugs improperly, lacking money for necessary drugs or transportation to health care facilities, and having difficulty in opening containers.

Wash. Star
June 7, 1976, p. A-5

FDA Probe Shift Hit as 'Disgrace'

By Robert Pear
Washington Star Staff Writer

F. David Mathews, secretary of Health, Education and Welfare, was criticized today for his refusal to authorize a further investigation of charges of corruption and personnel abuse in the Food and Drug Administration.

Norman Dorsen, vice chairman of a panel of distinguished scientists and lawyers advising HEW, said it was "a disgrace" that Mathews had not given reasons for his decision.

It was a "triumph of bureaucracy over the people who put their careers on the line" when they made sworn allegations concerning FDA before Senate subcommittees in August 1974, said Dorsen, a law professor at New York University.

"I don't know who was responsible for it," Dorsen said. "I don't know the history of it, but it does not make me any more confident in the government of the United States."

DORSEN MADE his comments today at a meeting of a public advisory comittee known as the HEW Review Panel on New Drug Regulation.

In a report issued two weeks ago, the panel found that FDA commissioner Alexander M. Schmidt's investigation of his own agency had been inadequate and asked Mathews to appoint an independent investigator to look further into charges of corruption, personnel abuse and undue industry influence at FDA.

Mathews, in a letter to the seven-member panel Friday, refused to authorize a new investigation, saying he would refer the matter to the department's general counsel for analysis.

Marsha N. Cohen, another member of the panel, said "we were led to believe that HEW wanted truly independent advice." She said some members would not have accepted appointment to the panel otherwise.

"HEW's apparent retraction of unlimited support after we have rather bitterly criticized a component of that agency leads one to question how independent we were supposed to become," she said.

Cohen, a consumer lawyer from San Francisco, said Mathews' decision represented "forum shopping," the same practice of

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Balt. Sun
June 8, 1976, p. C-2

Mandel, Mayor Daley disagree in dispute over Medicaid suits

Washington (AP)—Governor Mandel and Chicago's Mayor Richard Daley squared off in a dispute over federal funds yesterday with Mr. Mandel insisting that the principle of state's rights prevents hospitals from suing states to force reimbursement of Medicaid payments.

Mayor Daley took an opposing view in an appearance before a Senate subcommittee. He supported the right of Illinois hospitals to take the State of Illinois to court in a claim for $80 million in Medicaid payments he said the state has failed to pay the hospitals.

The dispute revolves around a law passed earlier this year designed to force states to allow hospitals to sue them over the amount of Medicaid payments received. The law provides that if a state refuses to waive its right not to be sued then the Department of Health, Education and Welfare can withhold federal medical payments to the state.

Mayor Daley and Mr. Mandel appeared at a hearing on legislation to overturn the new law. Mr. Mandel appeared as a spokesman for the National Governors Conference supporting the repeal that already has been approved by the House.

The specific Illinois case arose after the state earlier this year froze Medicaid payments to Illinois hospitals at April, 1975, levels.

Mayor Daley said that as a result at least three private hospitals in Chicago—Masonic, March and Michael Reese hospitals—have cut back on Medicaid patients. This, he said has forced an increase in Medicaid patients on the city-run Cook County Hospital.

A lawyer for the Illinois Hospital Association, Julian Levi, appeared with Mayor Daley and provided the estimate that the state owes Illinois hospitals $80 million in additional Medicaid payments since the freeze.

Medicaid is a joint state-federal government program under which HEW reimburses most of the costs that states in-

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N.Y. Times
June 8, 1976, p. 17

Issue and Debate

Ford Raising Questions On Court's Busing Role

By NANCY HICKS
Special to The New York Times

WASHINGTON, June 7 — President Ford has expressed his determination to try to limit the power of the Federal courts to use busing as a tool to desegregate schools.

Although attorney General Edward H. Levi decided against filing a friend-of-the-court brief in behalf of the Boston Home and School Association, which is asking the Supreme Court to reduce the scope of the busing order of Federal District Judge W. Arthur Garrity Jr., Mr. Ford and Mr. Levi said they were still looking for a case in which to take such a stand.

Mr. Ford is also proposing new legislation that he hopes will limit the ability of the courts to order busing and place a time limit on such court orders.

While Presidential politics are being cited, in part, for Mr. Ford's pushing the issue at this time, the discussion about the issue has again raised debate on the question of whether the Federal courts had overstepped their authority in their busing orders.

The Background

Busing was not an issue when the courts began implementing the 1954 Brown v. Board of Education decision, which held that schools segregated as a result of public policy are inherently unequal.

The pattern of life in the South, which was the target of initial desegregation orders, consisted of blacks and whites living close to one another and this often meant that more busing was used to segregate schools than would be used to desegregate them.

As the issue of school desegregation began moving north in the late 1960's and early 1970's, however, the remedy for segregation proved more difficult. Many attributed segregated schools to the pattern of housing and economics, not to laws such as those that existed in the South.

But the courts found, over and over, that without laws as a driving force, Northern school districts were actively engaged in promoting segregated education in a number of ways: by gerrymandering school districts, by using portable classrooms to relieve school overcrowding instead of reassigning students, by adopting admissions policies that resulted in racially separated schools. In cases where such practices were documented, the courts often ordered busing to reverse them.

These lower court busing orders were upheld in a series of Supreme Court rulings.

In Swann v. Charlotte-Mecklenburg (N.C.) Board of Education, the high court ruled that busing is a valid tool in desegregating schools.

"Bus transportation has long been an integral part of public education system, and it is unlikely that a truly effective remedy could be devised without the continued reliance upon it," the decision said.

In Keyes v. School District No. 1, the 1973 opinion on the Denver school system, the Supreme Court found, in opposition to a Justice Department friend-of-the-court brief, that segregation in a "meaningful portion" of a school system that "creates a resumption" of imposed systemwide segregation that calls for a systemwide solution.

The Opponents

Despite the Keyes decision, President Ford, Attorney General Levi and Solicitor General Robert H. Bork believe that the courts should limit busing orders to individual schools that have been found to be segregated as the result of specific policies by public and school officials.

"I believe that court-ordered busing to achieve racial balance is not the best way necessarily to protect individual rights on one hand, or to achieve quality education on the other," Mr. Ford said in a television interview yesterday.

"In some cases, the court has taken an illegal act of a school board, a relatively small part of a total school system, and taken over the whole school system, and the court, in effect has become the school board. I think that's wrong, and the Attorney General agrees with me, Mr. Ford said.

He is joined in his sentiments by a growing number of Congressmen and from Boston and Louisville who say that the Federal courts are engaging in "social experimentation" with American children by ordering busing extensively.

The Proponents

Those in favor of busing see Mr. Ford's statement as a distortion of the issue. They say that busing was ordered to desegregate, not to integrate —an important distinction— annd that constitutional rights, not quality education are the issues involved.

Civil rights lawyers and groups point to earlier Supreme Court rulings and to the history of cities like Louisville, Charlotte, Denver, Detroit, and Pontiac, Mich., which vehemently opposed busing at first but settled down to live with it. Despite the wordly held public impression, these lawyers point out that relatively few school districts are involved in desegregation actions: about one-sixth of 18,000 districts in the country.

The right lawyers also sa that the expectionly of success is better for a busing plan if lower income groups of either race do not feel that they're being made to shoulder a responsibility not shared by the community.

"One of the things that has made certain plans successful is that they have involved the whole community so that there is no part of the white community excluded," said Willaim L. Taylor of the Center for National Policy Review, a civil rights lawyer.

"One of the problems with Boston is that people feel they are being singled out," he said.

The Outlook

The Attorney General continues to look for a case for the Justice Department to enter, although none is evident at this time. President Ford will soon advance to an increasingly receptive Congress his legislative proposal to limit busing, while proponents of busing will almost certainly challenge the constitutionality of any such law that is passed.

Civil rights groups, on the other hand, are trying to figure out how to carry school desegregation forward. School enrollment figures for 1974 show that more than half the black children in the South were attending schools where the majority of students were white, and fewer than 10 percent were attending all black schools.

In the North, where cities are losing major chunks of their white populations, the record is much more dismal.

The fact that cities themselves are becoming more segregated, often resulting in segregated schools, has led some lawyers to ask if desegregated education is a "right for which there is no remedy."

Judges in Richmond and Detroit sought to remedy this situation by joining urban and suburban school districts and busing across town lines. The Supreme Court, however, opposed that approach and ruled that unless it could be shown that the suburban districts had helped create the problem, they could not be made to participate in its solution.

Last month, however, a three-judge Federal Court in Wilmington, Del., ordered Wilmington's mostly black schools to merge with the mostly white schools in 11 suburban districts. The order is scheduled to go into effect in September 1977.

FDA Probe
Cont. from page 1

which FDA has been accused by some of its critics.

"WE ARE THE blue-ribbon panel to be giving recommendations," Cohen said, "and our recommendations were not liked, so you give them over to someone else. If it weren't so tragic it would be amusing."

Robert W. Hamilton, another panel member, said he resented the secretary's letter, which he read as saying "thank you very much but we didn't like your conclusion." He said Mathews' rejection of "unwelcome advice" is "very analogous to what happened in the FDA."

Thomas C. Chalmers, chairman of the panel and president of the Mount Sinai Medical Center in New York, dissented from the request for a further investigation, and said he approved of the secretary's decision.

Medicaid Suits
Cont. from page 1

cur. The states reimburse hospitals for their costs in treating Medicaid patients.

Mr. Mandel supported repeal of the new law, saying that it is federal intervention into the constitutional rights of states to conduct their own business free of federal interference.

"The governors of the 50 states see this controversy not as one pertaining to the administration and reimbursement under the federal Medicaid program but as an intrusion into the inherent constitutional rights of the sovereign states," he said.

"It goes straight to the heart of the relationship between the states and federal government."

Wall Street Jour.
June 8, 1976, p. 42

Survival Technology Sees Limited Approval Of Heart-Attack Device

By a WALL STREET JOURNAL *Staff Reporter*

BETHESDA, Md.—Survival Technology Inc. said the Food and Drug Administration indicated it will give approval for limited use of a new device to aid heart-attack victims.

According to the company, the FDA said it would permit heart-attack victims to use its lidopen auto-injector, a device for administering the drug lidocaine, in cases where the victim "is instructed to self-administer the lidopen auto-injector by qualified medical personnel" after medical personnel evaluate the patient's electrocardiogram.

The company said a heart-attack victim with proper electronic equipment can transmit electrocardiograms to medical centers by telephone.

Survival Technology said it will seek final FDA approval. To do this, it will submit product labeling and will establish a users' registry, the company said.

In February 1975, the company said the FDA approved use of the device by physicians.

The company said it requested a halt in trading of its stock at noon Friday, an hour after learning of the FDA action.

Guest Editorial
Cont. from page 1

I am convinced it is so because I so often have received answers from local bureaucrats that conflict with what the regional office in Denver says, which in turn does not agree with the word from Washington. The confusion could not be more complete if there were a camarilla behind the communications cloud.

The hazy view from Helena indicates there are two reasons for most of the trouble--petifoggery and the vocabulary of the bureaucracy. The former is a fact of human nature with which one cannot grapple; the latter, though, can be wrestled with.

How? Well, one could start with a simple, easily understood rule--total exclusion of the word "viable" from the federal vocabulary, which could chop the length of all federal documents by approximately 25 percent. Issuing new dictionaries to all federal workers might encourage them to learn that there are alternatives. The next step might be to make those books required reading, along with a bit of grammar, so that federal authors could learn what a transitive verb is--one that indicates an action. (A work that may unsettle many an office, but, nonetheless, a necessary work.)

Why do I suggest this is a priority? Well, let's look at some typical "bureaucratese."

"The ... project has the purpose of making the central business district economically viable through the provision of improvements in the area. The improvements are designed to overcome the blight that has caused the area to deteriorate. Generally, these improvements include the construction of new streets, the installation of underground utilities and services, the rehabilitation of buildings that are to remain, and the sale of land for construction of new buildings by private and public developers."

Now, that's taken straight from a document written here in Helena by a city employee whose work had to pass muster in Denver, so it's carefully couched in 75 words of the language of bureaucracy. That means it's fuzzy, indirect thought.

It can be said just as thoroughly and rather more clearly in 44 words of English.

"The project is designed to revive the economy of the decaying central business district. Improvements designed to do this include constructing new streets, installing underground utilities, rehabilitating buildings that are to remain, and selling vacant land to private and public developers for new construction."

Substituting that sort of English for the gobbledygook so loved in federal offices is the best suggestion I can make to benefit the bureaucracy.

EDITOR'S NOTE: Views expressed are those of the writer, and do not necessarily reflect those of the publication for which he works.

Denver Post
May 31, 1976

Child Support Program Created to Aid All of 'Needy'

By PAULA DEGER
Denver Post Staff Writer

The 1.4 million parents who fail to provide child support add $1.4 billion annually to welfare payments, according to figures provided by the U.S. Department of Health, Education and Welfare.

And the federal government's efforts to ease this financial burden led to the Child Support Enforcement program, created to identify and locate absent parents in order to obtain child support from them.

Not only is the service, which became effective Aug. 1, 1975, under Title IV-D of the Social Security Act, available to welfare recipients, but to all families whose children need the financial assistance of an absent parent.

Given the rise in the divorce rate and the increased problem of nonsupport, "today's middle-class mother may be tomorrow's welfare mother," said Louis B. Hays, deputy director of the Office of Child Support Enforcement headquartered in Washington, D.C.

THE PROGRAM SHOULD prevent some mothers from realizing this possibility, he added in a Denver interview.

"Each state is required to establish an agency to administer the program," said Hays, explaining the setup of the program.

These child-support agencies must try to determine the paternity of children born out of wedlock and to obtain child support for applicants.

Each state also must establish a parent-locator service which utilizes state and local information to find a missing parent. If this effort fails, the service has access to the federal parent-locator service.

And each state must cooperate with one another in trying to locate a missing parent.

The use of the federal locator service has caused criticism, said Hays, because of the "Big Brother" image it may create.

"We're not building a big master bank of everyone in the country," said Hays. "That service can be only used to locate an absent parent for child support."

Theoretically, said Hays, the federal parent-locator service has access to files and records of any federal agency in order to find the last known address of the missing parent and the most recent place of employment.

"Right now, we go to the Social Security Administration, the Internal Revenue Service and the Department of Defense to get our address information," he said.

But the national office doesn't keep this information, he asserted. Instead, the information is sent to the state to aid in finding the parent.

"THOSE WHO OBJECT to the federal locator office look at the right of privacy of the parent but not at the rights of children," said Hays.

"If you have to make a choice between the two rights, the choice clearly lies with the right of the children to have their paternity established and to receive financial support."

When a state is unsuccessful in collecting child support from a parent, the state submits an application to the regional office, where it is reviewed and certified.

The IRS then attempts to collect the same way it attempts to collect when dealing with federal income taxes, said Hays.

Although the statute applies to both men and women, 99 per cent of the persons failing in child support are men, Hays stated.

"Normally when the woman deserts her family, she leaves an employed husband. When the father leaves, the wife generally is unemployed or marginally employed."

"But it still is a potential problem," he said, referring to women failing to support. "It's clear that mothers deserting their families are on the increase."

Hays predicts success for the program.

"ON THE WELFARE side, there are 11 million recipients of Aid to Families with Dependent Children and 80 to 90 per cent of the recipients are on the rolls because of an absence of a parent from home," he said.

About 50 per cent of these deserters are able to provide child support.

"When the program is completely implemented, we expect to collect $1 billion of child support each year. This will provide a savings for taxpayers."

During the first nine months of the program, 30 states reported closing 12,000 welfare cases because of obtaining child support.

"And this didn't include some big states like New York and Illinois," he said. "Colorado reported about 1,000 cases closed."

On the nonwelfare side, it is difficult to estimate accurately the implications of the program, he added. But a letter published in a newspaper advice column last year telling women that a new federal law would help women needing financial support for their children, prompted 15,000 letters to the Washington office.

"They were written by women not currently receiving public assistance," said Hays, "but who were unemployed or underemployed."

"The common theme was: 'I don't know how much longer I can hold out without receiving public assistance."

The Tennessean
May 30, 1976

Desegregation Up To People: HEW Director



David Matthews
Conference speaker

Desegregation of schools has been successful in communities where the people are committed to making it work, Secretary of Health, Education and Welfare David Matthews said here yesterday.

The initiative for desegregation comes from the force of law, Matthews said in an interview, but the policy is carried out largely because the community wants it to be.

"SUCCESS SEEMS to rest on a deep commitment that one cannot deny equal education to members in the community," he said.

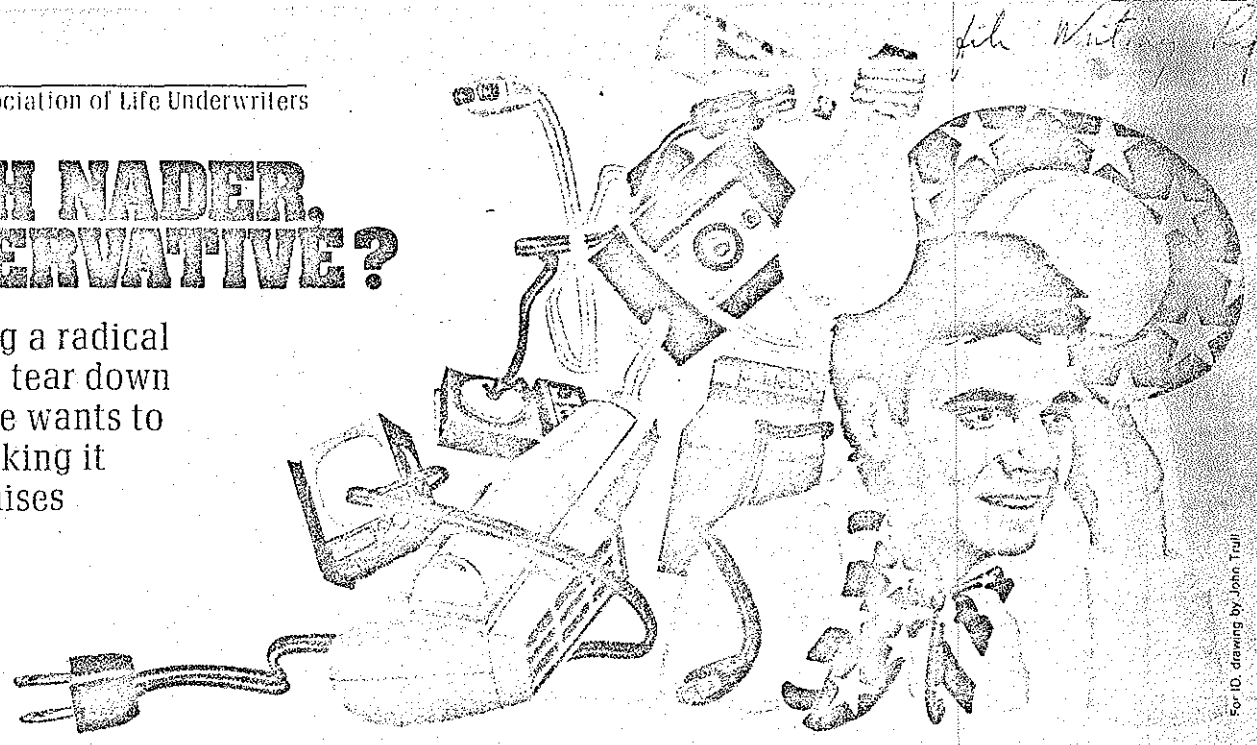
The secretary said his advice to President Ford on the busing question has not dwelt so much on legal recourse as pointing out which communities have desegregated successfully and how they have done so.

Matthews is here to participate in a Regional Conference on the Humanities and Public Policy at the Hyatt Regency.

By Edward B. Rust
From National Association of Life Underwriters

RALPH NADER, CONSERVATIVE?

Far from being a radical who wants to tear down the system, he wants to save it by making it keep its promises



For ID. drawing by John Trull

Edward B. Rust is president of the State Farm Insurance Companies and new president of the U. S. Chamber of Commerce. In this speech to the National Association of Life Underwriters, he encourages business to reexamine its indictment of Ralph Nader and consumerism, suggesting that both sides actually operate from a single motive—making the system work . . .

Democratic society is in a situation in some ways analogous to the insurance business. The society holds together because we make promises to each other, as individuals and as private and public institutions. To the extent that we keep those promises, and to the extent that we have faith in the promises of others, the society functions rather well. When we begin to lose faith in each other and in our institutions, the social fabric begins to unravel.

We are all aware of the many problems that beset us today as a people—the energy crisis, environmental pollution, inflation, foreign trade deficits, and so on. It is not to dismiss these problems lightly that I say they are, to a degree, transient. They will pass in time, and others of equal urgency will arise to take their place. But another problem, in my view, transcends all these others. It is suggested by the phrase "credibility gap," which I suppose is just another way of saying we don't believe each other anymore. We don't believe the businessman, the political candidate, the officeholder, the government agency, the newspaper or the news broadcaster. I don't pretend to have the scientific background that would enable me to analyze the complex factors underlying our declining confidence in the many institutions that together make up our society. I can only offer the personal observations of an American businessman.

I would agree with Alexander Hamilton, who once said, "The vast majority of mankind is entirely biased by motives of self-interest." I don't know if Mr. Hamilton found that distressing. I do not. But the real problem arises in defining where our self-interests truly lie.

The answer to that question frequently depends upon how far into the future we are willing to look. If as businessmen we look only at tomorrow's profits, then self-interest will dictate that we act one way. But if our focus instead is on the long-range survival of the business enterprise, then we will act in quite another way.

Nader wants products to perform as they are supposed to, warranties that protect the buyer as much as the seller, services that genuinely serve

There seems to be some confusion over the role of business. There is much talk these days about the social responsibilities of business and the need for involvement in social programs. And perhaps we should be doing more of this. But the first order of business is the competent management of business, and management's first priority should be the quality of the product or service it provides. This is the first expectation people have of us. It's at this basic level that we must begin to rebuild faith in the institution of business. We need to regenerate a dedication to quality, to value and to service.

This, I believe, is what Ralph Nader and other consumerists are saying, and I find it hard to disagree with them on that point. You will notice that you rarely find consumerists criticizing a business for its failure to involve itself in social programs on the periphery of that business. Mr. Nader's focus is usually on the first order of business—its products and services. His primary insistence is on products that perform as they are supposed to, on warranties that protect the buyer at least as much as the seller, on services that genuinely serve.

I invite American business to look with fresh eyes at Ralph Nader and the kind of consumerism that he represents. He has been described in some quarters as "an enemy of the system," but if we are willing to look objectively at his activities, I think we are forced to the conclusion that his commitment is to making the system work. I believe that it was inevitable that sooner or later someone like Ralph Nader would arise to focus and articulate the dissatisfactions and the frustrations that are widespread among consumers. And so in him we see, not an individual expressing his personal biases, but a man who is singularly sensitive to the mood of the public and who is unusually well equipped to symbolize and express that mood.

I hope you will understand that, as a

From an address by Edward B. Rust to the National Association of Life Underwriters Convention, Chicago, Illinois, September 18, 1973. Excerpted and reprinted with permission.

businessman, I would hardly be siding with Mr. Nader against business. Rather, I simply insist that he is not on "the other side." If we look at the record, I think we will see a clear community of interest that Nader has with American business. Nader's distinction—so obvious that it is often overlooked—is his single-minded dedication to making the free enterprise system work as it's supposed to: making marketplace realities of the very virtues that businessmen ascribe to the system.

His style is not to mount street demonstrations but to insist that products live up to their advertising and to buyers' reasonable expectations of them—and when they don't, to go to the regulatory authorities and say, "Look here. Now regulate." That kind of activity suggests a considerable degree of faith in the system and contrasts sharply with the revolutionary who would tear it down.

But if you would say that he sometimes exaggerates, that he overdramatizes, that he is shrill, then I would have to agree—at the same time pointing out that this is the traditional way to gain attention in the clamorous and free American marketplace, as we who advertise our products and services should be well aware.

We in business sometimes complain that the public—and our young in particular—don't understand or appreciate the free enterprise system. But I must observe that when business sees consumerism and its spokesmen as enemies of that system, then business is demonstrating its own failure to understand the healthy tensions and competing pressures that must always be present in that system, if it is to survive.

The consumerist does not demand perfection of American business. I believe he perceives it as a human institution, susceptible to error. But he understands the difference between honest mistakes and deliberate deception—a distinction Nader is able to make with considerable force.

It's an exercise in corporate egotism to pretend, to assume that mistakes aren't made, and to present to the public an image of godlike perfection, which no one can rightly expect of himself or of the institution he manages. That kind of attitude shows a lack of faith not only in the American people's capacity to understand that mistakes will be made but also in their readiness to forgive those who move promptly to correct them.

I think that these attitudes come about as an indirect result of "giantizing" our institutions. The small businessman cannot isolate himself from his customers, no matter how much he might wish to. But it is possible for the managers of big business to retreat from the abrasions of the marketplace.

The tendency is to encapsulate oneself in corporate limousines and executive suites—an environment that in the long run will distort management's view of reality. But I suggest that it is an inescapable part of the businessman's job to maintain direct personal touch with the realities of the marketplace. Market research is fine and necessary, but those neat charts and graphs can never give you the feel for the product and its user that you get from a direct confrontation with an angry or happy customer.

"If you say that Nader is shrill, then I would have to agree—but this is the traditional way to gain attention in the clamorous American marketplace"

I was in an office conference the other day when a customer of ours in Houston called me on the telephone. He had a problem I was able to help him with. When our telephone conversation concluded, someone commented that an efficiency expert would be appalled that I would interrupt an important meeting to involve myself in the problems of one of our 20 million policyholders. It is an inefficient use of executive time. My response was that the day I refuse calls from customers is the day I should resign, because that is when I will have begun to lose contact with the real world in which we operate.

Share this little fantasy with me . . .

Suppose every American product had a sticker on it that read, "If this thing doesn't work like we said it would, call our company's president," followed by his name and telephone number. It's hard to imagine the impact this would have, but I can tell you a couple of things that would happen. Those computerized consumer complaint statistics would suddenly come very much alive, and in a very short span of time the corporation president would acquire a very sure sense of reality—as well as an unlisted phone number.

But just as business must be willing to calmly assess what consumerism is trying to achieve—must be willing to distinguish between honest criticism and unproductive enmity—so, I believe, it is fair to ask the consumer to look at business realistically. It is no more sensible for the consumer to expect perfection in everything he buys than it is for business to expect consumer acquiescence to all its shortcomings.

I sense a kind of perfectionist mood in some quarters of the society, an irascible intolerance for error of any kind. This is probably a by-product of our technology and our advertising. Too often, advertising leads people to expect what no product or service can possibly deliver. Our technology presents a more subtle problem. We've all heard the nostalgic comment "They sure don't build them like they used to," and in some instances this may be true.

But there's another side of that coin. Not too many years ago, the fairly affluent American home could count no more than a half-dozen electrical appliances. If the average appliance operated six years without needing repair, the customer was going to the serviceman on the average of once a year. But if you have three dozen appliances in your home—and many homes today have at least a dozen more—then you are getting something repaired on the average of once every 60 days. In other words, even if the level of quality is the same, your service problems have increased sixfold, which is a pain in the budget and elsewhere. Inflation, as well, heightens our expectations of products and services; the more you pay for something, the more you demand of it.

I think all of us—businessmen and customers—need to abandon the clichés we too often use in talking and thinking about this thing we call "the system." The businessman sometimes behaves as if he were its sole proprietor, and the customer sometimes expects more of it than it can possibly deliver.

At best, perhaps the system can only be an uneasy partnership, out of which the consumer can expect reasonable satisfaction and out of which the businessman can expect reasonable profits.

Most reasonable people would settle for that. And I believe reasonable people can make it happen just that way. [9]

for short-run advantage will unnerve the collective political conscience. In consequence, everyone will ultimately suffer — especially those who are deserving but who are politically unorganized or inept. In respect to this last point, I think that higher education is making some gains. That we all need to do better — at the state as well as the federal level — is obvious. In the face of powerful, unpredictable, and enigmatic forces in the political economy, political and economic sophistication are the conditions of our survival.

Much can and must be done to overcome and to counteract public disenchantment with higher education when such disenchantment represents an unfair or inaccurate appraisal of reality.

The fourth external force affecting higher education is the most insidious of all. It is the corrosive impact of public disenchantment. Public confidence in colleges and universities and their leadership has dropped a whopping twenty percentage points in six years. It is small comfort to note that public faith in other important institutions in our society has dropped by similar or greater proportions.

Part of the loss of confidence in higher education is a holdover from the campus unrest of the 1960s — perhaps transmogrified into the litigiousness of the present. Part, undoubtedly, is a function of higher costs to parents and students, especially when matched against increasingly uncertain economic and status benefits to degree holders. Part of the problem may well be a cropping up of an anti-intellectual virus that seems to poison the national psyche every few decades — an eruption of a mindless annoyance among noisy segments of the people who are too diverted to think and too lazy to read.

But it is foolish to ignore the possibility that some of the public is justified in its disenchantment, at least in part. Carolyn Bird's book, *The Case Against College,* is annoying because of its inaccuracies and omissions; but it is also saddening because of its accuracies and inclusions. We *have* lost some of our standards — beyond, I believe, the inevitabilities accompanying mass education. More important, we tend to gyrate aimlessly and dangerously between the Scylla of archaic irrelevancy and the Charybdis of instant vocational curricula by market research.

Much can and must be done to overcome and to counteract public disenchantment with higher education when such disenchantment represents an unfair or inaccurate appraisal of reality. Alumni and governing boards especially must be mobilized for this high political purpose. But some honest introspection on the part of administrators, some recommitment to high purpose and high standards, is an essential aspect of winning back public respect and support, which are the touchstones of financial survival. With them, we are assured of continuing legislative and philanthropic underwriting. Without them, we will surely atrophy and die.

I urge you not to lose heart or commitment. I do not know why you chose your occupation. There are surely ways to earn more money at less psychic cost. But my guess is that most of you were drawn to your jobs because you felt somehow a heightened dignity in addressing managerial and financial skills to an enterprise you believed to be significant. Or it may have been nothing more than your desire to raise young children in a university environment. But is this not another way of saying the same thing? Underlying your choice, and your staying with your jobs, is a value preference for institutions whose business is not to produce a commodity, but to induce personal growth and to search for truth.

That such institutions are marked by imperfections, that faculty and student behavior — like the behavior of all persons — is occasionally atrocious, that departmental and divisional conflicts may make the university America's last stronghold of unbridled competitive enterprise, all of these realities may be enough to make you wonder about the worth of it all.

But I would remind you of Winston Churchill's reply to an old lady who in 1942, in the middle of the Battle of Britain, asked the prime minister why Britain fought. Churchill replied, "You'd find out if we stopped."

What if *we* stopped? What if all of our colleges and universities suddenly disappeared? What if they ceased to function altogether?

Dedication Is Essential

At first, little change might be noted. But ultimately doctors would malpractice from ignorance; bridges designed by untutored engineers would collapse; literature and the performing arts would be held to no standards, and would dissolve into globs of jelly; economics would become a broken record of inutile theories; philosophers would play sloppy word games without rules or rigor; astronomy would collapse into the black holes it has only recently discovered. Above all, society would develop a fatal hardening of the arteries for lack of informed and sensitive social criticism. And there would be no specially protected environment friendly to the restless probings of the human mind. It is not too much to say that our stature as humans would be reduced by cubits, for we would no longer be standing on tiptoe trying to touch the face of some beckoning mystery.

Keeping your institutions going may seem in these days a somewhat sullen trade. But without your dedicated attention to the logistics of education, scholars could not search for new knowledge, students could not stretch their minds and hearts, society could not receive the healing, sometimes painful, balm of self-criticism. Ultimately the world could not muster those energies of mind, aesthetic creativity, and examined moral sentiment that are surely its only long-range promise.

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NACUBO Professional File

External Forces Affecting Higher Education

by Stephen K. Bailey

Out of the myriad external forces that swirl around college campuses, there are four that have had (or are likely to have) a major impact on the fortunes of higher education. The ways in which college and university officials and friends react to these forces can make an enormous difference to the future of higher education.

Conforming to New Social Norms

The first force may be labeled "federal government mandates to conform to new social norms." This refers, of course, to the dozen or so federal laws placed on the books in the last several years that attempt to achieve a variety of social ends only marginally related to the educational objectives of colleges and universities: equal employment opportunity, equal pay, affirmative action, elimination of age discrimination, occupational safety and health, minimum wage and fair labor standards, unemployment insurance, social security, health maintenance organizations, Employment Retirement Income Security Act provisions, wage and salary controls, environmental protection, privacy laws, etc.

Carol Van Alstyne and Sharon Coldren of the American Council on Education have been studying the costs to colleges and universities of implementing or conforming to these federally mandated social programs. With the cooperation of six institutions of higher education of various types — granted the primitive state of the art of ferreting or factoring out such costs — the Council's Policy Analysis Service staff has come up with tentative figures that are sobering indeed. If one can extrapolate from this small sample, most colleges and universities in the nation have been forced to dip into reserves or into other sacred pockets in order to meet the rapidly escalating costs of federally mandated programs. Fellowship funds have been robbed, academic priorities have been skewed, dangerously high tuitions have been increased even further. In one large public institution, the annual cost of implementing federally mandated social programs rose in the period 1965-75 from $438,000 to $1,300,000. In one medium-sized private institution, the costs jumped in that same period from $2,000 to $300,000. In a large private institution, the comparable figures skyrocketed from $110,000 in 1965 to $3,600,000 in 1974-75.

Some of these federally mandated social programs have involved a maddening amount of what the Supreme Court in another context has called "entanglements." Affirmative action comes to mind simply because of the recent crisis over Title IX guidelines and regulations, but many of the federal mandates have been accompanied by sheaves of fine print, bales of report forms, and panoplies of inspectors! Here are external forces with a vengeance. And the costs mandated by these external forces are not easily passed on to the educational consumer — or even to hard-pressed state legislatures.

Higher Education Is Not Exempt

What should be our response to these uncomfortable mandates? We could, I suppose, lobby for their elimination — attempting to roll back the clock to the days of our more relaxed ancestral prerogatives. But in our better moments we know that such talk is silly. Among other things, who are we that we should be exempt from the inevitable pains of implementing evolving norms of human equity and dignity? We are a part of the American community — important and integral. We have been quite as guilty as other segments of society in perpetuating evils of caste and class — especially those based on race, sex, and age. And we have no more right to blow up a human being in an unsafe chemistry laboratory than an industry has that right while making munitions in an unsafe factory.

We have every reason to demand that the government be fair, that it follow due process, that it attempt to keep regulations as simple and as unambiguous as possible, and that it put its own chaotic administrative house in order.

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There may be legitimate ways in which to recapture from the government (as industry does) some of the more onerous costs of compliance.

But we are, I believe, constrained to ask ourselves in all candor whether, without the painful prods and ominous threats of the leviathan state, we would voluntarily press, in our proximate settings, to right the wrongs that our democracy has voted to correct. Unless some of us are inconvenienced, unless some of us are administratively anguished, it is probable that the long-standing evils of artificially imposed inequities and indignities on our campuses will be left undisturbed. It is regrettable that financial administrators must absorb so much of the prickly heat. But I am confident that most of you share with me the sense that we are undergoing historically imperative pains of penance, and that the quicker we internalize — and energize with our own initiatives — the cutting-edge norms of social justice which the government is attempting to enforce, the quicker the external armies of bureaucratic meddlers will disappear. "Self-discipline," John Gardner reminds us, "is the yoke of free men."

At its best and most reasonable, accountability is simply the legitimate requirement on the part of those who supply money that it be spent prudently and effectively.

A second external force affecting higher education bears the name "accountability." Accountability is easily caricatured as the meaningless statistics higher education is forced to accumulate in order to quiet some green-eyeshade types in the state capital. Or to mix some generational acronyms: FTE × MBO ÷ usable square footage = FUBAR.

At its best and most reasonable, accountability is simply the legitimate requirement on the part of those who supply money that it be spent prudently and effectively. The crux of the dilemma, of course, is this: How can legitimate canons of accountability be accommodated without upsetting the priceless fragility of academic self-determination? There are times when accountability types remind some of us of curators of Chinese pottery who decide to test the quality of their eggshell vases with a tack hammer. In some states, accountability tack hammers have been written into law.

While it is important to induce college and university administrators to sharpen pencils in the war against institutional waste and inefficiency, it is equally important to recognize the limits of simplistic quantitative analysis addressed to partly ineffable academic outputs. Jack Getzels at the University of Chicago has come forth with a useful example of the difficulty of factoring cost-benefit ratios in academic communities. He points out that a few years ago, a professor of mathematical physics at the University of Chicago commuted seventy miles twice a week in order to teach a graduate course with only two students in it. The cost-benefit ratio, in a superficial sense, was insane: a high-priced professor commuting 140 miles each week to instruct two students. In retrospect, the only mitigating element was the fact that a few years later both graduate students won the Nobel Prize.

The American Council's able senior economist, Carol Van Alstyne, faced with some accountability dilemmas related to the definition of academic productivity, asks the following: If an engineering graduate in 1920 could build a bridge, but an engineering graduate in 1975 can get a man to the moon, has an increase in educational productivity taken place?

The accountability syndrome will not disappear. State legislatures, federal officials, and responsible philanthropoids will continue to press for program audits as well as fiscal audits of their funds. Somewhere between the preciousness of academic rationalizations of inefficiency on the one hand and the unfeeling and almost anti-intellectual line-iteming of academic budgets by bureaucratic and legislative bookkeepers on the other, there is a realm of legitimate autonomy and reasonable surveillance. One of the high callings of a college or university financial administrator is to define that world so that it is acceptable both to academic colleagues and to the institution's financial patrons. No group of people is better suited to perform this essential role of brokering and buffering than you.

Effects of the Political Economy

A third external force is, of course, the inexorabilities of the political economy. Inflation, unemployment, energy costs, and erratic investment dividends have had radical differential effects on institutions of higher education in recent months and years. Few of the effects have been salutary. Some, such as the impact of the cost of #6 fuel oil on colleges in the northeast, have been horrendous. The conclusion is that there is no substitute for navigational virtuosity when sailing on a sea of troubles. In most institutions of higher education the chief business officer, along with the members of investment committees of governing boards, is a key mariner.

I wish that I could be sanguine about the political economy in the years ahead. My fear is that everyone's search



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