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*“The citizen can bring our political and governmental institutions back to life, make them responsive and accountable and keep them honest. No one else can. The one condition for the rebirth of this nation is a rebirth of individual responsibility.”*

John Gardner, *founder of Common Cause*

## **Introduction**

Since the beginning of time, civilizations have ebbed and flowed, have risen to greatness only to slide into mediocrity.

Over the past two decades we have read books and listened to speeches from an assortment of American commentators who have consigned the United States of America to the ranks of fallen civilizations. We have gone from the crest of world power at the close of World War II to believing our own negative publicity. We believe we are losing our position of world leadership. We believe we no longer enjoy the total respect of the international community. We believe we do not have the same ability to influence world events as we did in the past.

That view has taken its toll. Three out of four Americans believe we are in a serious state of decline when compared with other countries. Only 18 percent believe we will be first in the world economically by the year 2000.<sup>1</sup>

In his “Malaise” speech, former President Jimmy Carter said, “the symptoms of this crisis are all around us. For the first time in the history of our country, a majority of our people believe that the next five years will be worse than the past five years... We can spend until we empty our treasuries, and we may summon wonders of science, but we can succeed only if we tap our greatest resources: America’s people, America’s values and America’s confidence.”

What Carter was saying is that we are becoming an increasingly self-centered society with a rapidly eroding sense of common purpose. Indeed, he drew an accurate picture of America in the 1980s, when our government developed shortsighted tax and spend policies with little thought to the long-term needs of the citizens. Special-interest groups enjoyed a frightening degree of power at all levels of government, and their interests were frequently not in the best interest of our country. Our standard of living declined. Our family structure changed significantly. And our personal and professional values were tested daily. Those values that have always been viewed as uniquely American were no longer providing us with the foundation necessary for continued growth, expansion and moral superiority.

In early 1991 we saw a significant shift in the national mood. America went to war in the Persian Gulf, and Operation Desert Storm did more than liberate

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<sup>1</sup> James Patterson and Peter Kim, *The Day America Told the Truth* (New York: Prentice Hall Press, 1991) 215.

Kuwait — it liberated our pride in things American that many of us thought were forever lost.

Yet as we ride this wave of unprecedented patriotism, we must allow reality to intrude. Yes, America has reasserted herself as a world leader. Yes, our military threats are to be taken quite seriously. Yes, our defense-related technology is second to none.

But the problems that existed prior to that war still exist. We remain a debtor nation, and the cost of the war has only compounded that situation. The American institutions that are the backbone of our society are still in trouble. Our families are seriously stressed. Our education system is clearly failing. Censorship threatens our free press. Our government has grown to monstrous proportions — the list of problems is endless and overwhelming.

The cause of the problems is clear and uncomplicated: We have collectively chosen to relinquish to outside forces the responsibility for our own well-being.

Less than a century ago, the United States was a nation of self-sufficient, independent and interdependent citizens. Welfare didn't exist. (Of course, neither did income taxes.) People took care of their own, and if a neighbor was in trouble, the community did what needed to be done — or it wasn't done at all.

Things have changed. Today, Americans are much more likely to not even know their neighbors than they are to offer a helping hand. And the popular sentiment is that the solution to our ills lies with the creation of national policies, legislation, government funding and, inevitably, the increased taxes that must, of course, pay for them.

It has become much easier to assign the task of problem-solving — no matter what the problem is — to the faceless bureaucratic entity that more often than not fails at its appointed task. It's much easier to abdicate responsibility for individual well-being. And for more than 50 years, more and more Americans have chosen to follow this ideology.

A variety of indicators herald our increasing reluctance to accept personal responsibility. The number of bankruptcies filed nearly doubled during the 1980s, sending the message that it's quite all right to incur debts you can't pay. In fact, over one million bankruptcies are anticipated in 1992. Diet centers are on every corner because of the growing number of people who are unwilling to exercise the self-discipline to incorporate healthy eating habits into their lives. Supermarket

parking lots are littered with abandoned grocery carts because shoppers do not return what they have borrowed to its proper place.

Besides being willing to give away responsibility, Americans are quick to cast blame. In a *Newsweek* opinion piece, college senior Daniel Smith-Rowsey attacked the older generation, charging, “You never taught us to be smart — you only taught us to be young.” He wrote, “We are the stupidest generation in American history, we 20-year-olds... You did this to us.” Nowhere in his article does Smith-Rowsey accept any responsibility for himself.

In the process, we have become a nation of beggars, a country of entitlements. Underlying this transition is a steady erosion of pride, self-esteem and any sense of individualism and personal responsibility. We are becoming increasingly morally handicapped.

This abdication of personal responsibility is apparent in all aspects of American life, including our relationships, our finances, our employment and our health. As a society we have come to expect the government, business and other organized entities to play a provider role in our lives, protecting and supporting in a way previous generations did for themselves.

Yet, as our own national sense of personal independence diminishes, the international community perceives us as the world’s role model. We continue to be the nation citizens of other countries look to when they rise up against oppression.

There’s irony here. As other peoples turn to us for guidance, an alarmingly large number of American citizens and elected officials are attempting to lead our country in the direction other countries are rejecting.

As is every society, we are dependent on our institutions to provide the structure within which we can work to achieve our goals. These institutions — primarily government, the family and our educational system — are our point of reference for the past and our framework for the future. It is essential that these institutions be structurally and operationally sound if we are to maintain a world-leadership role.

Robert Fritz makes an excellent analogy in *The Path of Least Resistance*, when he compares human beings with a river. The course of the riverbed determines the flow of the water, and the water will follow the path of least resistance. If you want the water — or your life — to go somewhere else, you can remove the water from the river, bucket by bucket, but you will not change the river’s natural flow. Or, more effectively, you can alter the course of the riverbed by dredging it and

changing the terrain so the water will easily go where you want it to go. It may not be necessary to change the entire riverbed, but only the sections that need to be altered to meet your expectations.

Like water, people and every other natural force, our institutions will follow the path of least resistance. It is up to us to create a path that will be productive, that will respect basic American principles while providing us with the societal infrastructure we need to move into the 21st century with strength and confidence.

Adlai E. Stevenson's remarks when he accepted the Democratic presidential nomination in 1952 are still appropriate today: "Let's face it. Let's talk sense to the American people. Let's tell the truth, that there are no gains without pains, that we are now on the eve of great decisions, not easy decisions, like resistance when you're attacked, but a long, patient, costly struggle which alone can assure triumph over the great enemies of man — war, poverty and tyranny — and the assaults upon human dignity which are the most grievous consequences of each."

As a society we have always tended to build our successes on success, preferring to achieve equality by elevating the masses rather than by bringing down the elite. It's an attitude that makes Americans different. The point is made quite vividly by the story of a British union president who turned to his management counterpart, pointed to the manager's Jaguar parked outside, and said he was working for the kind of society in which people like company presidents would drive Ford Cortinas. Had those two men been Americans, the union leader would have said he was working for the day when workers would own cars like Jaguars.<sup>2</sup>

It has been an American tradition for parents to build a foundation that would create a better life for their children. That better life included consistently improving working conditions and a steady rise in the standard of living. For those willing and able to work, the American Dream could become a reality.

Today, we bear the stigma of possibly being the first generation to leave behind less than we found, to give our children a legacy of debt and crumbling ideals.

In 1920, when Calvin Coolidge was governor of Massachusetts, he said, "The people of America believe in American institutions, the American form of government and the American method of transacting business." The belief may still be there, but many of the institutions that were created to protect and promote

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<sup>2</sup> David L. Birch, *Job Creation in America* (New York: Free Press, 1987) 101.

the American Dream are seriously flawed, and those flaws are having a serious impact on the United States both domestically and internationally. Because our institutions are the structure of much of our lives, their status is a reflection of who we are today and of what we will look like in the future.

The last quarter-century has seen tremendous changes in the world. Communism is dead. Socialism is dying (dying, at least, in every country except the United States). Democracy and free enterprise are reborn. The past few years in particular have seen the basic fundamentals of human nature become an increasingly powerful force. Throughout Europe, especially in Germany and the Soviet Union, people are demanding — and receiving — their basic rights as human beings. They want to work for themselves, to be able to acquire material goods, to be rewarded based on their contributions and achievements, to be able to think and voice their opinions, to determine their own destinies.

The shifting of the global political and social landscape has forged new bonds of international friendships, based largely on economics and technology. A new world order is developing, but the position the United States will take in that order is not yet clear. Will she continue as a global leader, or will she be content to follow a path carved by another country, another system, another society?

This book was written because of our sincere belief that the United States is destined to serve the world as a social, economic and spiritual leader; that implicit in the very structure of a free order is the ability to respond to negative influences almost as a virus that must be destroyed. That the country has stumbled is cause for concern, but not for surrender.

A resurgence of American superiority — and yes, that is what we are after — can be accomplished by taking an objective look at where we are today, by using the internal momentum that has been generated by Operation Desert Storm and the external enthusiasm prompted by the worldwide rise of democracy to regain our sense of personal responsibility and to repair and rebuild our institutions. By working to restore the vision our Founding Fathers had when they first created the American Experiment, we can once again enjoy a pattern of continual ascent and improvement.

We have the people, we have the values and we have the ability. And though we cannot turn back the clock — indeed, we don't want to — we can return to our roots, to the vision of our Founding Fathers. We can restore the American Dream.

CHAPTER 1

**America as the Stumbling Giant**



*“If she [America] forgets where she came from,  
if the people lose sight of what brought them along,  
if she listens to the deniers and mockers, then will  
begin the rot and dissolution.”*

Carl Sandburg, *Remembrance Rock*

**M**ore than 200 years after the Declaration of Independence, the United States of America is an impressive testimony to the wisdom of her founders. Not only do we stand as a world leader, a literal giant among nations, but our history is a rich tapestry of dreams come true, of a steady progression of personal and societal improvements, of people dedicated to perpetuating the American Dream, of innovations that would mean better lives for each succeeding generation.

But the giant is stumbling. Our national debt has grown to incomprehensible proportions. By traditional measurements, we are losing market share to foreign competitors both at home and abroad, and we are not fully prepared to compete in a global economy. We are so disenchanted with our political system that every election pulls fewer voters. Our health care system is in a state of crisis. Our schools are graduating functionally illiterate students.

Unemployment is high, yet employers claim they can't find qualified workers. And with lotteries in more than 30 states and Washington, D.C., dreams of instant riches are replacing the work ethic for many. Indeed, by a thousand statistical measures, America no longer occupies the position of unparalleled superiority we enjoyed after World War II. When — and how — did all this take place?

## **The gradual rejection of independence**

One of the greatest challenges ever faced by our nation was the Great Depression, which began in the late 1920s and lasted virtually until we entered World War II. Just the mention of the era conjures up visions of unemployed families standing in soup lines, of hungry children wearing ragged clothes, of banks closing their doors and businesses failing, of desperate people across America and around the world trying to cope with economic devastation.

Franklin D. Roosevelt took office as president in 1933, bringing with him the New Deal, which was based on the then-unorthodox concept of stimulating the economy through deficit spending and resolving problems through the assertion of national power. FDR's tenure brought us the Banking Act of 1933, which guaranteed bank deposits. That same year, the United States abandoned the gold standard, giving the government the authority to print as much money as it chose, regardless of whether it had the collateral to support it.

The New Deal also spawned a proliferation of “alphabet agencies” such as the Tennessee Valley Authority (TVA), the Civilian Conservation Corps (CCC), and the Works Progress Administration (WPA) — often referred to by critics as “We Piddle

Around.” Though the purpose of these agencies was to create jobs, unemployment remained unacceptably high until the beginning of World War II. We don’t know if the New Deal was actually responsible for ending the Great Depression, if economic recovery should be credited to the war or if economic cycles would have returned us to prosperity without either of these two historical events. What we do know is the New Deal shifted the relationship between the people and the national government. For the first time, government became a provider. People developed a new comfort level with the idea of welfare and government assistance, and the sense of “being entitled” began to invade our society.

The Supreme Court initially struck down (albeit by narrow margins) most New Deal initiatives as unconstitutional since they empowered the government with authority unintended by our Constitution’s Framers. FDR’s programs were clearly in trouble, so he introduced his Judiciary Reorganization Bill, which came to be known as Roosevelt’s Court-packing Plan. He wanted to increase the number of justices with the idea that his own appointees would support his legislation. Congress opposed the bill, but during the public debate over court-packing, the two swing-vote justices, Chief Justice Charles Evans Hughes and Associate Justice Owen J. Roberts, changed their voting patterns in favor of pro-New Deal rulings. FDR lost before Congressional opposition, but won his agenda nonetheless. And in the four years following 1937, FDR had the opportunity to appoint seven new Supreme Court associate justices, assuring his view of government would prevail into the last half of the century.

Roosevelt’s position was that government had the responsibility and authority to cure the nation’s social ills. The concept of the government as a national nanny continued to grow after WWII as returning servicemen went to school on the GI Bill, bought homes with loans guaranteed by the Veterans Administration, and enjoyed a host of other government benefits. As a nation, we were happy to “pay our debt” to those who had so generously and at such a sacrifice fought for our country. And the entitlement mind-set became etched ever more firmly on our social landscape.

Through the 1950s and into the early ’60s, we remained a largely tranquil and patriotic country. We looked to the government and business to function as providers in our lives, and those institutions complied.

The decade of the ’60s brought more than social turmoil; it brought more programs sponsored, created, funded and administered by the government. John

F. Kennedy's New Frontier was a collection of promises based on the central theme that government would repair the nation's problems. But the largely conservative Congress found Kennedy's programs resistible, and the young, charismatic president struggled with legislators until his death.

Lyndon Johnson called his program the Great Society, and he used Kennedy's assassination as a political lever to achieve the passage of the Civil Rights Act and the Economic Opportunity Act of 1964. In that year's presidential election, Johnson defeated conservative Barry Goldwater in an electoral landslide. The differences in the philosophies of the two were stark: If Johnson saw a need, he believed the government should take care of it; Goldwater questioned government involvement in the private sector, and suggested that the preferable course of action was to empower the private sector to handle the problem, rather than having government do it.

After the elections, Johnson and the Democratic-controlled House and Senate passed the most sweeping reform legislation since 1935. Legislative milestones included Medicare, the Elementary and Secondary Education Act, and the Voting Rights Act of 1965. Johnson established the Department of Housing and Urban Development and the National Foundation on the Arts and Humanities, and declared the famous War on Poverty.

No one can fault the ideals behind Johnson's agenda — certainly no one is in favor of poverty. The problem was in the method. The welfare state expanded and the sense of personal responsibility diminished.

At the same time, controversy over the war in Vietnam was growing. The country was rocked with demonstrations, many of which were violent. Ultimately, our troops would come home, not in victory, but under the cloud of an inglorious retreat.

We were reeling from a series of social and economic blows which contributed to the general feeling of discomfort and discontent that prompted President Carter's "Malaise" speech. Though that speech did little to enhance Carter politically, it accurately captured the mood of America at the time. The war in Vietnam, besides being a major culprit behind the runaway inflation of the period, had torn at the very fabric of our country and generated tremendous social unrest. Ultimately that conflict presented us with a devastating first: the shame of losing. We weren't proud of ourselves or our country, and we were no longer sure of where we stood in the world.

When the Arab members of the Organization of Petroleum Exporting Countries placed an embargo on the sale of oil to the United States and several of our allies in 1973, it became manifestly clear to us how economically vulnerable we really were. Western nations experienced a severe gasoline shortage along with a recession. While we struggled, an increasing number of foreign companies expanded their product sales to the United States and proved themselves perfectly capable of marketing to the American consumer.

The government had bailed us out of trouble before, so we turned to that massive caretaking entity again — much in the same spirit as a child who falls on the playground runs home to his mother. But the feds couldn't kiss the wound and make it well; in fact, governmental efforts were not only ineffective against the root of the problem, they actually created an entirely new set of problems. We got the regulations, but we didn't solve the problem.

A recognizable pattern of human nature is that when things are going well, it is easy to take one success and build a series of triumphs. Unfortunately, it's even easier to follow the same path in reverse — that is, to take one failure and allow it to compound itself until it reaches disastrous proportions. So along with our sliding world image and economic problems came a host of social woes — all combining to bring America to where she is today, poised on the edge of the 21st century, facing a future that has never been more uncertain.

### **From creditor to debtor, and other economic problems**

During the first four months of fiscal year 1991, our gross federal debt was \$3.366 trillion — up from \$2.982 trillion just one year earlier. *That's an increase in our debt of over \$1 million per day.*

In the same period of 1991, our government operated with a deficit of \$84.5 billion, compared with \$62.3 billion the year before. That means we were spending approximately \$170 million a day we didn't have; we're now spending more than \$230 million a day — every single day of the year — that we don't have.

In 1989, we paid a staggering \$241 billion in interest on the debt. In 1990, the interest rose to \$264 billion, and in 1991, the interest on the debt exceeded the entire federal budget of 1968.

If we weren't paying interest, we could eliminate our deficit. But until we handle the deficit, we won't be able to pay off the debt.

Our nation's finances are virtually out of control. The numbers have gotten so large that they are meaningless to most Americans — and they keep getting larger. Humorist P.J. O'Rourke observed, "We have become inured to government figures with vapor trails of zeros behind them."<sup>1</sup> In fact, some political experts predict we will never be able to pay off our debt, but will continue paying interest until we ultimately default on the loans.

The thought process generally espoused by political liberals these days is to transfer funds from defense to social entitlements, raise taxes for still more social entitlements and ultimately shift the cost to future generations — all in the name of compassion for the people.

It is *not* compassionate to saddle our children and grandchildren with a debt they will likely never be able to repay.

A statistic just as critical is our productivity rate. Though raw statistics indicate an increase in overall productivity, the rate has been gradually dropping. During the 1950s and '60s, our productivity growth rate averaged 2.8 percent per year; since 1970, that annual average has dropped to 1.3 percent.

At the same time, compensation was skyrocketing. Between 1960 and 1989, output per hour (productivity) in the business sector increased 171 percent, while compensation in actual dollars per hour jumped over 625 percent. Unit labor costs (hourly compensation divided by output per hour) rose 367 percent.<sup>2</sup>

In other words, wage growth was more than triple productivity growth. Bad for workers, bad for our economy and bad for our future.

Productivity growth declined. Compensation increased. And worse yet, we began consuming more than ever. During the 1980s, consumption per worker grew three times as fast as net output per worker.<sup>3</sup> *By 1987, we were spending 4 percent more than we produced.*<sup>4</sup> What a formula for success: Less productivity. Higher wages. Enormous consumption. Make fewer goods and spend more money!

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<sup>1</sup> P.J. O'Rourke, *Parliament of Whores: A Lone Humorist Attempts to Explain the Entire U.S. Government* (New York: Atlantic Monthly Press, 1991) 201.

<sup>2</sup> Statistical Abstract of the United States, 1991, Table 671.

<sup>3</sup> Martin K. Starr, ed. *Global Competitiveness* (New York: W.W. Norton & Co., Inc., 1988) 15.

<sup>4</sup> Robert E. Litan, Robert Z. Lawrence and Charles L. Schultze, eds. *American Living Standards* (Washington, DC: The Brookings Institution, 1988) 2.

A major problem with all of that is simply this: Though median incomes are rising, after adjusting for inflation, the average American family makes less money.

The average worker earned \$271.66 a week in 1986, and \$259.41 in 1990.<sup>5</sup> Though the drop is small, it is a far cry from the significant wage gains inflation would imply. And what's more, we haven't managed to adjust our habits to accommodate these changes in income patterns. Too many of us have been using credit to purchase both necessary and luxury goods.

In spite of having just experienced what many politicians are calling the longest period of peacetime expansion in our history (whether or not it was truly an expansion is debatable), middle-income Americans are obviously no better off than they were 20 years ago.

### **What will we do when the mortgage comes due?**

Both in perception and in fact, our standard of living is declining. It now takes two incomes to maintain the same lifestyle that could be purchased for one less than three decades ago. Soaring housing costs and high interest rates are causing a drop in the rate of home ownership, which has long been a major symbol of the American Dream. Consumer debt has become the American way of life, as evidenced by the fact that American credit card debt exceeds \$200 billion.

Indeed, an assortment of credit cards thickens most American wallets. The message they send is tempting: You can have it all, and you can have it now. All you have to do is make a minimum monthly payment, and as long as you do that on time, you'll qualify for even more credit. It's clear that we are doing on a personal level what the government has been doing on a national level — spending more than we have without much thought about how these bills will eventually be paid. And we are becoming professionals at it.

The future is carrying a tremendous personal and public mortgage that is growing daily. This casual acceptance of debt is a relatively recent attitude; people are still alive today who can remember when even a home mortgage was something shameful; who operated on the economic philosophy that if you didn't have the cash to pay for something, you couldn't afford it; who believed in saving now to spend later, rather than spending now and never catching up. Of course, these people lived a lifestyle that was significantly more austere than the one most

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<sup>5</sup>U.S. Dept. of Labor, Supplement to Employment & Earnings, July 1991, measured in 1982 dollars.

Americans enjoy today; they were also determined to give their children more than they had.

That goal has backfired. Recent generations have come to accept and demand an increased level of material comforts as their due. It has become the American way for each generation to be better off than the one before, to have bigger homes, nicer cars and more gadgets. Product manufacturers urge us to buy, and we eagerly comply. From all directions, the media bombards us with images — largely distorted, but there nonetheless — of the “good life.” One beer advertising campaign insisted, “You can have it all.”

This irresponsible attitude, reflective of the era, has plunged us into unprecedented levels of debt, eroded our standard of living and created a future that looks economically bleak.

It may have begun innocently enough with all of the best intentions, but the mortgage on our lives is an insidious one, and it will eventually come due. For God’s sake, what will we do as a nation when the bills come due and there’s not enough money to pay? How will we pay the bills when we can’t borrow anymore?

As monumental as the problem is, it is not a difficult or complex one. Whether as an individual, a business or a government, when you spend more than you take in, there are only so many things you can do.

As an individual, you must either make more money or spend less. In the interim, you can borrow some money until you make enough extra, or you cut enough out of your expenses to be able to cover the amount borrowed and the interest due on it.

It’s not different for businesses, except they have an additional option of raising equity capital (selling stock) for a limited period of time. However, unless the business can make more or spend less, it ultimately will be unable to interest anyone in buying a piece of the action. Would any rational investment pour money into an enterprise which showed steady and consistent losses?

And, believe it or not, governments operate no differently — at least, they shouldn’t operate any differently, and they don’t if they are to remain strong and viable. A government must make more money, either through higher taxes or inflation, or spend less. Of course, just like an individual or a business, it can also borrow. And just like an individual or a business, it must be able to find the funds to repay the debt and the interest.

But the more government taxes, the more it robs from the private sector, which reduces productivity. The more government inflates, the more it steals from the private section in the dead of the night, when no one is watching. The more it borrows, the more it must ultimately tax or inflate to eventually cover the interest accruing on the debt. And one way or another, sooner or later, it will ultimately default.

Every household in the nation knows the simple and obvious truth of balancing a checkbook. How can it possibly be that our government doesn't? How has our government managed to substitute political rhetoric for a balanced budget, and convinced the American people that we'll never have to pay the piper?

The reality is that we will have to pay the piper, and his bill is due now.

### **More than money**

All of that aside, our societal problems go well beyond finances and reach into the core of our beings. Major economic transitions have upset our traditional views. How we cope with these issues will determine our viability as a world leader in the coming century. Let's review the more critical points.

**The family.** Families are enduring tremendous stress as working parents struggle to meet the needs of themselves, their children and other family members. The family structure itself has become protean. Shifting demographics have created the newly nicknamed "sandwich" generation — baby boomers dealing simultaneously with aging parents and their own offspring. A mobile society weakens the bonds of friendship and family, and we have of necessity become decidedly more liberal in our definition of just what family is. A positive note is the leveling off and slight decline in the divorce rate — evidence, perhaps, that the "me" generation is seeing the value of becoming the "we" generation.

**The perception of victimization.** It is not our position in this book to deny that specific groups have not been subject to disadvantage, but if we treat ourselves as victims, we destroy the heritage built by our ancestors. The immigrants who came to this country just two and three generations ago faced poverty, injustice and adversity that often seemed overwhelming. They met obstacles head-on as challenges to be mastered. Some failed, of course, but on the whole they were able to take advantage of the wide array of opportunities our free enterprise system offered, and they were quickly assimilated into our society. They chose to be victors rather than victims.

As our relationship with government began to change, our attitudes toward ourselves began to change. Too many Americans have become willing to accept the role of victim, accepting obstacles instead of overcoming challenges — demanding entitlements instead of creating opportunities. Victim groups abound — women, blacks, Hispanics, Native Americans, homosexuals, Vietnam vets, welfare families, Jews, etc. Columnist Pete Hamill observed, “Americans, who once worshiped in the church of self-reliance, have moved to another house of worship, where they are in the grip of a fever of victimism. Its whining propagandists insist upon respect without accomplishment, while its punitive theory of society is enforced by lawyers.”<sup>6</sup>

We are only now beginning to adequately assess how societally corrosive is the attitude that “society owes me because...” Ending discrimination and providing equal opportunity for minority groups is certainly a worthwhile political objective. Institutionalizing the loss of self-worth and self-reliance is altogether something else. If we stay content as victims among ourselves, we become content as victims of others. Hamill added, “All of us... would be helped by a moratorium on self-pity.”<sup>7</sup>

**Health and health care.** The quality of health care available in the United States is excellent, but we are nonetheless facing a health care crisis. Medical costs are skyrocketing and a growing number of people — over 37 million Americans — have no health insurance at all. An additional 60 million Americans have medical insurance the Department of Health and Human Services finds inadequate. In other words, more than one-third of this nation is not adequately insured against illness. What’s more, an estimated half of all Americans contacted by collection agencies every year are in debt because they have medical bills they cannot pay.<sup>8</sup>

Senator Edward Kennedy, who chairs the Committee on Labor and Human Resources, observed, “One of the most disturbing features of the crisis is its impact on America’s children, who deserve a healthy start in life, but are too often failing to receive it, with serious implications for the country’s future.”

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<sup>6</sup> Pete Hamill, “A Confederacy of Complainers,” *Esquire*, July 1991, 30.

<sup>7</sup> Hamill 30.

<sup>8</sup> “The Health Care Crisis,” a report prepared by the Committee on Labor and Human Resources, U.S. Senate, June 1990, 3.

Our expensive and inefficient health care delivery system will face even greater challenges in the coming decade. AIDS has reached epidemic proportions, and the death it causes is painful, lingering and costly. The baby boomers who are growing older and living longer will place an additional burden on medical professionals and facilities.

But handling the financial aspect of health care will not solve the problem. Former Colorado Governor Richard Lamm pointed out, “The leading causes of premature death in the United States are not lack of health care, but smoking too much, drinking too much alcohol, not wearing seat belts, and not eating the right foods. We would bring far better health to America by seriously addressing these social problems than we would by pouring endless resources into doctors and hospitals.”

**Education.** Is there also an education crisis in the United States? The statistics indicate there is. In a 12-nation study of seven subjects, our national average comprehensive scores were in the lower third. Our dropout rate is alarming and too many students who do graduate are functionally illiterate.

It’s a tragedy that the country which pioneered education for all now trails other nations in student achievement. The consequences of our education failings are serious and far-reaching, and have a negative impact on productivity, international competitiveness and even our ability to maintain the level of society we know today.

**Crime and violence.** America has the highest rates of crime, prosecution and incarceration than any other country in the industrialized world. To say that our streets are not safe would be melodramatic, but in truth, far too many U.S. cities and neighborhoods are frightening places. Beyond the physical and emotional trauma of crime is the financial one. Uninsured losses are often economically devastating; insured losses are ultimately passed on to every policyholder. Our businesses must add the cost of burglar alarms and internal and external security systems to their products, while home security has become a depressingly thriving market. Even more devastating is the loss to our national self-esteem; can we not trust our neighbor?

**Litigation.** We are the most litigious society in the world, willing and apparently eager to sue just about anyone for anything. We have developed the attitude that no matter what happens, someone must be at fault — someone must pay.

**Religion.** Both a cause of and a controversy at the foundation of our nation, religion continues to generate divisiveness and dissent, especially when it crosses into government and business. Rather than being a source of personal comfort and joy, religion is all too often the focus for argument. Even worse, an alarming number of religious philosophies encourage the abdication of personal responsibility, and contribute to America's weakening status. Can we reach a consensus of the role religion should play in our lives and our country?

**Ethics and values.** Survey after survey indicates a decline in our ethical values. We are rarely surprised anymore when people in a position of trust betray that trust, whether they are religious, business or government leaders. Colleges and universities are now finding it necessary to teach ethics, as though the subject is something adults can learn as they do history and math. And while we argue about when, where and by whom values should be taught, too many members of the younger generation are growing up without a solid or consistent understanding of right and wrong.

This list of problems may seem overwhelming. Unfortunately, it's not even complete. We'll be discussing these topics in more detail in later chapters, along with some appropriate solutions. But if thoughts of "the government ought to do something" were running through your mind as you read, we urge you to seriously consider the question of how the government can effectively cure societal ills if it cannot even keep its own house in order.

## **American government and politics**

While democracy is on the rise around the world, we in the United States are experiencing an unprecedented level of voter apathy. Political campaigns are carried on largely through the media and candidates are marketed like any other product, with clever graphics, catchy phrases (sound bites, they're called) and gimmicky slogans. But while consumers may be motivated by some advertisements to buy some products, campaign ads appear to anesthetize voters, rather than encourage them. Modern political marketing is not succeeding in getting out the vote; in fact, it may well be a major contributor to keeping voters at home.

That our current government should be a role model for the modern world is an almost chilling thought. This ever-growing, lumbering colossus that literally feeds

on itself is a far cry from the vision of our Constitution's Framers, who saw government as a tool primarily to keep the peace — domestic and international.

And though our government is spending money at a record rate, the funds are not being spent to maintain, improve and modernize our deteriorating infrastructure. Lamm charged, "America is almost deliberately letting bridges, roads, subways, water systems, railroads, ports, public buildings, and other public facilities decay... These are the structures of our economic viability; yet they also are among the first things that a politician can cut from the budget, because the effects are not immediately apparent."

Our political system has been likened to a bidding process, and the criticism has tremendous validity. In the 1983 – 84 election cycle, candidates for the U.S. House of Representatives spent \$203.6 million on their campaigns; by the 1987 – 88 cycle, that figure rose to \$257.6 million. Candidates for the U.S. Senate spent \$170.5 million in 1983 – 84 and \$201.4 million four years later.<sup>9</sup>

For the most part, campaign funding is not coming from individual supporters, but from organized special-interest groups, who then expect — and usually get — certain votes from their chosen beneficiaries.

The twofold problem of American government — the political and election process, and the actual operation of the government itself — will be examined in more detail in the next chapter. But since our global position is the outward manifestation of our internal principles and practices, where are we in the worldwide scheme of things?

### **On top of the world — or not?**

Though Operation Desert Storm proved our military superiority, the real balance of power in the world is economic, and in that arena, we are clearly losing ground. In 1967, a paltry 8 percent of American-based industries faced foreign competition.<sup>10</sup> Today, every industry is dealing with some form of international competition — and most of them aren't doing it especially well.

An examination of the United States as a competitive nation by the National Governors' Association concluded that "[w]e have not anticipated the changes beyond our borders nor responded to the consequences within our borders. Our

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<sup>9</sup> Statistical Abstract, 1991, Table 462.

<sup>10</sup> Martin K. Starr, ed. *Global Competitiveness* (New York: W.W. Norton & Co., Inc., 1988) 16.

institutions have been inflexible and we have assumed that the world of the past is our best possible guide for the future. This is no longer the case.”<sup>11</sup> Our global position is directly affected — and diminished — by our social and economic domestic problems.

In America, the days of easy prosperity are over. It appears as if, while enjoying the many benefits of our society and unique system of government, we have become complacent and blindly optimistic: the narcissistic, self-indulgent heir to wealth who expects but never achieves wealth of his own.

Lamm said, “We believe as part of our national subconscious that God is an American and will keep us from harm. But no civilization in history was ever permanent: all great civilizations develop great problems.”

### **Is this the fall of the American Empire?**

When fallen empires are mentioned, we visualize a decadent Roman Empire with Nero fiddling while the city burned. But fallen empires don’t necessarily disintegrate in flames and turmoil. Some are conquered; others fade like a brightly colored garment that has seen too many washings.

Advances and declines are an expected part of the life cycle of every great power; however, there is a critical point beyond which the decline is irreversible and, though the country may survive, it will never regain its former strength, position or luster. In the last few decades, the United States has edged dangerously close to that critical point in a pattern of decline fueled by prophets of gloom. For a while it seemed as if, as a country, we were determined to make the “fall of the American Empire” a self-fulfilling prophecy.

Though most indicators reassure us that we have recognized and are in the process of reversing our decline, we cannot afford to ignore the threat the current state of our nation represents to our future. We cannot wait until we have reached a crisis so great the damage to our country is irreparable. Prior to World War II, Winston Churchill said, “Want of foresight, unwillingness to act when action would be simple and effective, lack of clear thinking, confusion of counsel until the emergency comes, until self-preservation strikes its jarring gong — these are the features which constitute the endless repetition of history.”

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<sup>11</sup> Gerald L. Baliles, former governor of Virginia, speaking before the Public Affairs Council, Pomona, CA, Jan. 8, 1991.

History does not have to repeat itself, of course. Nor do we have to submit to the gravitational forces of time and accept decline as natural or inevitable. We, as a nation, can simply refuse to drift along the same path of declining power as other once-great nations who are respected for their past achievements but treated in the present with the amused tolerance we reserve for slightly senile, elderly relatives: once significant, currently irrelevant.

We know that until now, every great empire eventually declined. It is this knowledge that provides us with the ability to learn from the repetition Churchill observed. If to be forewarned is to be forearmed, then we are well-armed, indeed. But even the best-trained soldier with the most sophisticated weaponry can shoot himself in the foot.

Before we speculate on the future, let's take a look at the past and the ammunition history has given us.

### **What do we know so far?**

It is easy to see common patterns as nations rose to positions of world dominance, then gradually lost their grip on that power. Some general characteristics of a country on the ascent are:

- an official cultural unity
- a strong momentum propelling economic development outward
- an equally strong political influence pushing territorial expansion
- adequate economic and military strength to manage domestic and foreign interests
- unified leadership

A country on the decline is characterized by:

- a lack of cultural and technological innovation caused by excessive bureaucracy
- a withdrawal from world trade
- a disdain of learning and understanding other cultures
- military expansion without a corresponding economic benefit
- inability to adequately manage widely scattered exterior interests
- a lack of unified leadership

The cause of the fall of the Roman Empire — in spite of the lingering images of flames and fiddling our young minds may have conjured up from elementary

school history lessons — went beyond the moral decadence of the ruling class. In fact, the issue of class itself was only one of the catalysts of the decline.

Rome was a slave-owning society, and freemen tended to regard manual labor as beneath their dignity. This contributed to a lack of technological advancement and low productivity. For a country not moving forward, the only other option is to move back: There is no standing still.

Efforts of rulers to save their dying empire only hastened its demise: They adopted rigid policies of price and interest rate controls, and prohibited the export of “strategic products” such as iron, bronze, weapons, army equipment and horses.<sup>12</sup>

The ruling establishment further dampened productivity by demanding a larger share of the nation’s wealth — called taxes — while doing nothing to aid in the creation of new wealth. Swollen bureaucracies became unmanageable. The Praetorian Guard was out of control. Members of the ruling class pulled further away from the people in an ever-growing sense of elitism. The emperor’s power, once understood to be delegated by the citizens, was declared derived from the gods, and court rituals were established that made the emperor remote and unapproachable.

It was a pattern which occurred repeatedly in other nations. Historian L. S. Stavrianos observed, “The great civilizations of Greece, Rome, India, and China dominated Eurasia in classical times... Beneath the seeming invulnerability of the empires lay roots of decline that brought on decay and eventual disintegration. Essentially, technology was at a standstill, so productivity was low. These two factors — static technology and lagging production — combined to make the classical civilizations vulnerable to the barbarian attacks from the third to the sixth centuries.”<sup>13</sup>

Ming China is no less salient. When the Ming Dynasty emerged in 1368, China had huge libraries, large numbers of books, extensive trade routes and sophisticated industry. By 1420, the Ming navy had 1,350 combat vessels. Overseas expeditions explored and established trade relations with other lands.

But the northern frontiers of the empire were under pressure from the Mongols and in need of military resources, so a large navy was an expensive luxury. China

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<sup>12</sup> L.S. Stavrianos, *A Global History: the Human Heritage*, 3rd ed. (Englewood Cliffs, NJ: Prentice-Hall, Inc., 1983) 78.

<sup>13</sup> Stavrianos 103.

turned her back on the world by halting not only expeditions, but also by banning the construction of seagoing ships in 1436. The extremely conservative Confucian bureaucracy focused on preserving the past, rather than planning and preparing for the future. The elite, scholarly bureaucrats were disdainful of independent entrepreneurship. Printing became limited to scholarly works, industry and development slowed to a crawl, the military was neglected, the country's infrastructure decayed.

It's hard to tell exactly when the critical point occurred, but the enterprising land China had once been was in a steady decline that could not be halted even by the replacement of the Mings with the more vigorous Manchus after 1644. China would never again experience the level of prosperity and power equivalent to the one she had enjoyed during the Sung Dynasty.

As China declined, the Ottoman Empire expanded. The Ottoman Turks were an efficient military machine and more. But even though at one time they controlled an area greater than the Roman Empire, they would eventually surrender the chance at world domination by turning inward. Just a century after the Ming decline, the Ottoman Empire repeated the process.

The Mogul Empire was notable for its brilliant courts, fine craftsmanship of luxurious products and the conspicuous consumption of its ruling class. Though the technical reason for the decline of the Mogul Empire was border threats, the real reason was internal decay. The country's tax system was legalized plunder which forced peasants and merchants to pay for their rulers' extravagances with no benefit to themselves.

A more recent example of "rise and decline" patterns is that of Italy in the early 20th century. Though the modern-day Italy would never rise to the heights of the original Roman Empire, she clearly reiterated the characteristics of a country on the ascent. Under Mussolini, Italy embarked on an ambitious program of modernizing its physical infrastructure and its industries, as well as an impressive military buildup. While all of this activity looked good on the surface, the country could not sustain the upward momentum. It was economically weak, productivity was low, illiteracy was high and regional disparities blocked the necessary sense of national unity.

Throughout history and around the world, the story continues to repeat itself. There was a time when "the sun never set" on the far-flung British Empire; those

days are gone. Spain, Holland, Denmark, Sweden — none are the great powers today they once were.

### **Measuring the United States against historical patterns**

In its infancy and adolescence, the United States was largely isolationist, primarily — and necessarily — concerned with her own development. Though we traded with other countries, we did not involve ourselves in their internal operations, preferring to concentrate on our own domestic expansion. That expansion included the fairly consistent introduction of technologies which supported our goals and created new industries for our citizens.

Once our nation spanned the continent, once our original Manifest Destiny had been met, we turned our attention outward with enormous vitality and self-confidence. The American “empire” included territorial islands in both the Atlantic and Pacific oceans. This remarkable growth in territory, economic strength and world influence was due primarily to our free enterprise system. Without government restraint, the private sector was prepared to act on a moment’s notice to produce a specific result. The private sector was vital and energetic, and its vitality and energy benefited everyone.

By the early 1900s, the United States reached her adulthood as a world power; by the end of World War II, she was clearly recognized as a superpower.

But during the 1970s and ’80s, forecasters claimed we were on the same path to decline followed by earlier empires. Their reasons matched history:

- We were becoming increasingly content to borrow technology from other countries rather than be innovative ourselves.
- While there will likely never be a formal government edict prohibiting international trade, our cultural attitudes were limiting our potential success in that arena — and statistics reflected our poor performance on nearly every trade front.
- We developed a class system of the corporate elite and the rank-and-file worker which inhibited productivity, reduced our problem-solving abilities and had a negative impact on profitability.
- Rather than finding new sources of wealth, we simply redistributed what we had. Traders and investors abandoned innovation to make their money buying and selling existing companies.
- We had lost confidence in our political system, and because our leaders can rarely agree on how to handle problems, their effectiveness seriously

diminished. Moreover, those same leaders became increasingly impressed with their own importance and removed from the day-to-day lives of the people they were elected to serve.

- Many Americans questioned both the wisdom and practicality of maintaining strong armed forces.
- Our institutional and real infrastructures were decaying.
- A growing apathy caused by a general mistrust of government permeated all aspects of our lives.

If we base our forecasts on the trends of the recent past, we have a variety of socioeconomic indicators pointing to a dismal future. We have become not only a debtor nation, but a nation of debtors. Much of our society is emotionally isolated, a condition that is psychologically unhealthy for humans in general. Though we make the right noises about protecting the environment, we continue to abuse our natural resources at an alarming rate.

Indeed, we *were* on a path to decline similar to that of other once-great nations. Worse, we were perilously close to the proverbial point of no return, the critical point after which we would forever be destined to exist as little more than a second-rate power.

And we *were* afraid. But it was not the fear of annihilation or destruction. Our fear as Americans was, and always will be, the fear of mediocrity.

### **Arresting the decline**

As we approach the dawn of the 21st century, there is evidence that enough of us have heard the warnings that we might — just might — pull out of our downward spiral. Today's United States is a country still strong, still powerful, but undeniably deteriorating. Today we have choices we may not have just a few years into the future.

Writer, philosopher and historian John Taft closed his book *American Power* with the observation, "The decay of America's supremacy... may offer its own compensations to the United States. And perhaps Americans' feeling that their global effort was temporary, their very isolationism, now provides the best hope for an orderly and peaceful adjustment to decline."<sup>14</sup>

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<sup>14</sup> John Taft, *American Power: The Rise and Decline of U.S. Globalism 1918 – 1988* (New York: Harper & Row, 1989) 282.

It is clear that Taft has an inadequate understanding of the American people, for it is not in our nature to peacefully adjust to decline. In fact, we are clearly not doing so. (If we were, this book would not have been written, published or purchased.) We have stumbled, but not fallen — nor will we.

But if we are to maintain our world-leadership position, we must address the issues contributing to our decline, develop strategies to arrest and reverse the process, and put those plans into action immediately.

In *Free to Choose*, Milton and Rose Friedman observed, “Our society is what we make it. We can shape our institutions. Physical and human characteristics limit the alternatives available to us. But none prevents us, if we will, from building a society that relies primarily on voluntary cooperating to organize both economic and other activity, a society that preserves and expands human freedom, that keeps government in its place, keeping it our servant and not letting it become our master.”<sup>15</sup> The key is in accepting responsibility for our own behavior and welfare, in being our own masters — something we have not been inclined to do for more than half a century.

The American Dream is cloudy now; the next decade will tell if it will turn bright again, or become the American Nightmare.

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<sup>15</sup> Milton & Rose Friedman, *Free to Choose: A Personal Statement* (New York: Harcourt, Brace, Jovanovich, 1980) 37.

CHAPTER 2

**A Government Of the People, By the People,  
but Not Always For the People**



*“But, sir, I have said I do not dread these corporations as instruments of power to destroy this country, because there are a thousand agencies which can regulate, restrain and control them; but there is a corporation we may all well dread. That corporation is the Federal Government.”*

*Senator Benjamin H. Hill, March 27, 1878*

WE THE PEOPLE OF THE UNITED STATES, IN ORDER TO FORM A MORE PERFECT UNION, ESTABLISH JUSTICE, ENSURE DOMESTIC TRANQUILITY, PROVIDE FOR THE COMMON DEFENSE, PROMOTE THE GENERAL WELFARE, AND SECURE THE BLESSINGS OF LIBERTY TO OURSELVES AND OUR POSTERITY, DO ORDAIN AND ESTABLISH THIS CONSTITUTION FOR THE UNITED STATES OF AMERICA.



**T**he U.S. Constitution, one of the most remarkable and significant documents ever written, was the result of our Founding Fathers' efforts to create a government that was strong enough to govern, but not strong enough to oppress. Government, they decided, was a contract between the ruled and the ruler — a social contract under which the ruled gave their consent to be ruled and agreed to obey the laws if the ruler agreed to protect certain inalienable rights, which were life, liberty and property. “The sacred rights of mankind are not to be rummaged for, among old parchments, or musty records,” wrote Alexander Hamilton in 1775. “They are written, as with a sun beam in the whole volume of human nature, by the hand of the divinity itself; and can never be erased or obscured by mortal power.”

That social contract which protected individual rights and liberty, while at the same time considering the need for the security of all, was formalized as the Constitution of the United States. It is a document written not for saints but for mortals — a document designed to protect us from ourselves.

We enjoy the unique position of being the youngest nation in the Western world with its oldest written constitution. Former U.S. Supreme Court Chief Justice Warren Burger noted:

The delegates who wrote this Constitution in Philadelphia in 1787 did not invent all the ideas and ideals it embraced, but drew on the wisdom of the ages to combine the best of the past in a conception of government of rule by “We the People” with limits on government to protect freedom. This Constitution was not perfect; it is not perfect today even with amendments, but it has continued longer than any other written form of government. It sought to fulfill the promises of the Declaration of Independence of 1776, which expressed peoples' yearning to be free and to develop the talents given them by their Creator.

It's a contract we continue to live under today, but things are not as simple as they were in the late 1700s. The role of the government in our lives has been

gradually expanding since the second half of the 19th century; a huge bureaucracy and massive federal budgets have accompanied that expansion. We certainly have big problems today, but do they require big organizations to cope with them? Is this what the Founding Fathers had in mind when they wrote the Constitution? And more important, is this what we really want from our government?

### **The problem with government is government**

An unhealthy democratic government exhibits a variety of symptoms: an apathetic electorate, increased corruption among elected and appointed officials, burdensome taxes, runaway spending and more — and the government of the United States by the United States is ill indeed. Power has become more centralized than ever, certainly significantly more so than the Founding Fathers intended. The people and the states have less power today than at any time in our country's existence. We feed this lust for power on a national level with income tax, which means the federal government has a virtually never-ending source of revenue with which it can aggrandize itself. With increasing frequency, the states are turning to the federal government for aid, just as local governments are looking to the state. In developing this pattern, we are abdicating our responsibilities as citizens.

What has happened to our founding principles? Surveys indicate we distrust government as much as ever, yet we seem determined to cast that entity into a caretaking role. In doing so, we have created a dragon we will find difficult to slay. Let's look at some specifics.

**The federal government in particular is careening out of control.** It has become an entity in itself, with its primary objective being its own self-preservation rather than serving the people. We have a virtual labyrinth of government agencies and departments, most operating with relative independence, using a variety of accounting and structural systems, often overlapping or duplicating efforts, and all run by bureaucrats, most of whom are determined to maintain the status quo and/or expand their own authority and prestige by expanding their budgets.

The federal government employs over three million civil service workers and over two million military service members. Yet there is not a single person in the entire federal system who is held both responsible and accountable at any level. The difficulty in making someone answerable is even more apparent when you

realize the government operates with 300 incompatible accounting systems and over 300 payroll systems. And while the number of civilian and military personnel continues to grow (up nearly one million between 1982 and 1990), the bureaucratic morass gets worse. Rather than being rewarded for productivity, as is the case with their private-sector counterparts, government managers are compensated based on the sizes of their staffs and the amount of money they spend. The more chaotic the system becomes, the more room there is for incompetence and dishonesty.

**Ideals are left by the wayside.** Our elected officials may come into office initially with high-minded ideals, but they are soon caught up in the system of garnering and keeping power, their original goals left by the wayside. And rather than housing the workings of the dreams of our Founding Fathers, the stately facades of federal buildings in Washington and across the country are the ineffective fences around a monster worthy of the best of Hollywood's horror efforts. The rising bureaucracy in government offices across the country is creating an environment ripe for the growth of stifling regulations, corruption and the ultimate loss of economic progression and stability. The Soviet Union, prior to the 1991 failed coup and subsequent declarations of independence by its various republics, was a perfect contemporary example of a strong, excessively bureaucratic central government — and a perfect vision of where we are headed unless significant reforms are made.

**Avoiding the problem.** Instead of developing long-term plans to bring the situation under control, most of our politicians are busy trying to figure out ways to hide it from the electorate. They are doing it with language and masterful public relations plans. After all, there is nothing that says an elected official must keep the promises he made in order to get elected — he just has to make his record palatable enough to get re-elected. So the Reagan Administration didn't propose new taxes — it was "revenue enhancement" through new "user's fees." One major city no longer has potholes in its streets, but there still are quite a few "pavement deficiencies."<sup>1</sup> And it's likely that no product promotion campaign was ever run with more strategy and careful design than the military briefings on Operation Desert Storm.

Every year, the Committee on Public Doublespeak of the National Council of Teachers presents the Doublespeak Award to a public figure who has

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<sup>1</sup> William Lutz, *Doublespeak* (New York: Harper & Row, 1989) 1.

“perpetrated language that is deceptive, evasive, euphemistic, confusing, or self-contradictory.”<sup>2</sup> In 1982, the recipient of the award was the Republican National Committee for a television commercial on Social Security. It showed an elder, folksy mail carrier delivering Social Security checks, saying they included “the 7.4 percent cost-of-living raise that President Reagan promised. He promised that raise and he kept his promise, in spite of those sticks-in-the-mud who tried to keep him from doing what we elected him to do.” What the commercial failed to say was that the increases had been provided automatically by law since 1975 and Reagan had tried unsuccessfully three times to roll them back or delay them. When asked about the discrepancies, an RNC official said, “Since when is a commercial supposed to be accurate?”<sup>3</sup>

A 1982 *New York Times* article quoted former President Richard Nixon as saying that as a candidate “you have to dissemble... There’s a lot of hypocrisy and so forth in political life. It’s necessary in order to get into office and in order to return to office.”<sup>4</sup>

### **How did we get to this point?**

Though we frequently refer to the Constitution and speculate on the intentions of the Founding Fathers, we often fail to remember the contents of an earlier, but no less important, document: the Declaration of Independence. That document did more than talk about all men being created equal; it charged King George III with 27 specific complaints, many of which can be leveled at our government today.

Let’s look at a few of them<sup>5</sup>:

*He has refused his Assent to Laws, the most wholesome and necessary for the public good...* As Congress debates issues and campaigns for re-election, positive legislation that would reduce spending languishes and ultimately dies.

*He has erected a multitude of New Offices, and sent hither swarms of Officers to harass our People, and eat out their substance...* The Internal Revenue Service is one example that comes to mind.

*He has combined with others to subject us to a jurisdiction foreign to our constitution, and unacknowledged by our laws; giving his Assent to their acts of*

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<sup>2</sup> Lutz 272.

<sup>3</sup> Lutz 16.

<sup>4</sup> Lutz 195.

<sup>5</sup> Credit goes to P.J. O’Rourke and his book, *Parliament of Whores*, for many of these ideas.

*pretended Legislation...* Try crossing the IRS or any other federal agency, and the truth of this will come home to you sharply and swiftly.

*For imposing taxes on us without our Consent...* O'Rourke said it best: "Nobody asked me if I wanted a 1040 Form."

*For... altering fundamentally the Forms of our Government...* That the Supreme Court is forced to declare so many laws unconstitutional is clear evidence of this.

But, getting back to history:

Having revolted against oppressive British rule, the Framers of our Constitution designed a system intended to serve the people. To this end, they created three branches of government which collectively would run the country at the federal level. The executive branch consists of the president, the Cabinet and various departments and executive agencies which have increased in number over the years. The legislative branch is made up of two bodies: the Senate, the upper house of Congress with two members from each state; and the House of Representatives, the lower house with the representatives based on each state's population. The judicial branch includes the Supreme Court and the other federal courts.

Each branch has some measure of influence over the other branches. A fundamental principle of American government known as checks and balances prevents any one branch from accumulating too much power.

The Constitution and the first 10 amendments, known as the Bill of Rights, also established the rights of the states and the people, providing still another "check" on the political power struggle. The Founding Fathers were divided on the issue of how much power would be retained by the states and the people. The compromise is found in the Ninth and 10th Amendments.

The Ninth Amendment, often called the "implied rights" amendment, states: "The enumeration in the Constitution of certain rights shall not be construed to deny or disparage others retained by the people."

The 10th Amendment makes its case for states' rights; it reads: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people." Interestingly, despite their profound theoretical significance, few court cases have ever been decided on Ninth or 10th Amendment grounds, yet their importance to the concept of the sovereign power of "We, the People" is critical.

The idea was to put the center of any government activity at the same level as the issues being decided by that government unit. When power is decentralized, participation in the democratic process increases. But even in a society designed to be controlled by the people, it was not then, nor is it now, practical for all citizens to involve themselves in the day-to-day operation of all levels of government. It's one thing for citizens at a town meeting to make decision about street maintenance, and altogether something else for that same group of citizens to be considering a declaration of war by the United States on another country.

### **Participating in democracy**

The American system was designed to encourage participation in government above the local level through elected representatives. Such participation has a number of benefits. Serious problems rather than superficial ones are more likely to be identified and addressed. Since more people are thinking and reacting, the possibility of developing alternative solutions is enhanced. There is less chance of disruption from people who might otherwise feel left out of the process. When a number of views are expressed, debated, and a course of action decided upon, opposition from those who did not prevail tends to be minimized. Finally, and most significantly, participation reduces the chances of tyranny.

Yet, in our country, an appallingly large percentage of those eligible do not bother to vote, and voting is the backbone of a representative democracy such as ours. And of those who do not vote, it's probably safe to assume they also don't bother to write or call their representatives about issues that affect them. There is widespread feeling that the system is so huge, so complicated, that one person's opinion or vote doesn't matter, so we surrender our personal responsibility to government.

On top of that is the perception that most people are not affected by government programs, so they don't need to care about them. The flaw in that logic is that just about all of us — not just welfare recipients — take advantage of federal programs at some point. If you've ever bought a home with a VA or FHA loan, vacationed in a national park, drawn unemployment compensation, driven on an interstate highway, traveled on Amtrak or used a student loan to finance your education, then you've been the beneficiary of a government program paid for by tax dollars. And perhaps the most important impact of government programs is how government spending affects the economy — which certainly affects each one of us.

We are *all* affected by government programs: We pay for them and we use them. We have the right and at least the obligation to express our opinion about how they are managed, and we do that in whom we elect to public office. But according to *Citizens and Politics*, a report prepared for the Kettering Foundation, increasingly citizens are putting issues on ballots so they can make decisions themselves rather than trusting their representatives. The citizens interviewed for that report described our present political system as impervious to public direction, run by a professional political class and controlled by money rather than votes.<sup>6</sup>

The implications here are cause for concern. Along with representatives we don't trust, we're living within a system we have little faith in. Citizens feel politically impotent, that they have no place in politics today, that there is no real give-and-take between public officials and citizens. Even questionnaires sent out by members of Congress are viewed with skepticism, and there is some serious justification there.

In his book, *In the Shadow of the Dome*, Mark Brisnow reports being told in his early days of working for a Congressman that it was acceptable to count only 10 percent of constituent surveys — “just so the numbers look realistic.”<sup>7</sup> Among the elite club of lobbyists, political action committees (PACs) and special-interest organizations, the citizen has been rendered obsolete.<sup>8</sup> There is also a widespread belief that public officials seek office to serve their own interests, not those of the public. Is it any wonder that voter turnout in the presidential elections was at its high point in the late 1800s and has seen a fairly steady decline ever since?

It's ironic that William McKinley, elected in 1896, when voter participation peaked, made this observation in his inaugural address: “We may have failed in the discharge of our full duty as citizens of the great Republic, but it is consoling and encouraging to realize that... free and fair elections are dearer and more universally enjoyed today than ever before.”

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<sup>6</sup> *Citizens and Politics: A View from Main Street America*, a report prepared for the Kettering Foundation by The Harwood Group (Washington, DC, 1991) iii, iv.

<sup>7</sup> Mark Brisnow, *In the Shadow of the Dome* (New York: William Morrow and Company, 1990) 36.

<sup>8</sup> *Citizens and Politics*, 19.

## **The workings of Congress — a reality much different than the theory**

Over the years Congress has established rules and traditions that make it difficult to pass effective legislation on major, controversial issues, yet passing minor bills with questionable value is a fairly simple matter.

Small groups of members, or even a single very senior member, can hold nearly autocratic power over specific functions of government. In *We the People? Congressional Power*, author Robert A. Liston points out that Congress conceals much of its workings from the American people. He writes, “Indeed, nobody knows all that Congress does or how it does it.”<sup>9</sup>

In the early days of our country, representatives were content to go to the capital, do their work and head home to resume their normal occupations. In fact, they were obviously more interested in what was going on at home than in Congress. When the first Congress met in March 1789, in accordance with the country’s new constitution, the members who attended were unable to conduct any business. The first entry in the Senate *Legislative Journal* read, “The number, not being sufficient to constitute a quorum, they adjourned.”<sup>10</sup>

Congress remained what could be considered a part-time institution until the early 1960s. At that point technology conspired with a growing government to create a year-round legislature. New Deal programs had created an increasing spiral of lawmaking activity — senators and representatives were busy trying to “fix” things for us, and the process was growing ever more time-consuming. In addition, air conditioning made Washington bearable in the summer (in earlier years, the heat and humidity sent lawmakers home by July), and the advent of jet planes meant traveling between the capital and legislative districts was quick and easy.

Certainly to run a business as large as the government of the United States requires a lot of people investing a lot of time, and a certain amount of regulation is necessary, but just how many laws do we need? The country is over 200 years old, and Congress keeps meeting year after year, ostensibly to create new laws, and still more new laws.

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<sup>9</sup> Robert A. Liston, *We the People? Congressional Power* (New York: McGraw-Hill, 1975) 16.

<sup>10</sup> Alvin M. Joseph Jr., *On the Hill: A History of the American Congress* (New York: Simon & Schuster, 1975) 8.

Of course, not all of the bills proposed by our representatives actually become law. In 1990, 6,973 bills were introduced, but only 3 percent were enacted. Legislators make points with the voters back home with the legislation they *introduce* — legislation they know is often virtually useless and will never make it out of committee. But they propose the bills anyway, because it looks good on campaign literature and it lets the constituents know they are “doing something” — alas, if they only did less!

What should irritate citizens even more is that an estimated half of the bills that are passed are commemoratives — essentially worthless pieces of legislation marking an observance of some sort. Judy Schneider, a specialist with the Congressional Research Service, noted that 261 House members co-sponsored a bill calling for National Mule Appreciation Day. “My own personal favorite,” she added, “is National Mother-in-Law Hour. It used to be a day, but somebody thought it was too long, so they changed it.”<sup>11</sup>

And though by title and definition, the job of Congress is to make laws, less and less lawmaking is getting done. “Legislative policy-making is in a decline because members of Congress now perform constituent service,” said Anthony Eksterowicz, assistant professor of political science at James Madison University. “Policy-making does not get [members of Congress] elected because it divides people. Constituent service is safer.”

### **The ever-expanding enterprise of government**

The business of America is no longer business — *it's government*. In 1844, federal spending was about \$3 million per year, or about 15 cents per person. Virtually no bureaucracy, and certainly no welfare. Today, the government collects approximately \$5,000 per person — men, women and children — and *still* spends more than it takes in.<sup>12</sup>

In 1950, government spending was 21 percent of the GNP; by 1990, it had risen to 35 percent. No single commercial enterprise in the country can claim such remarkable gains. What makes the situation even worse is the realization that if government — particularly the federal government — were a private business, it would have been forced into bankruptcy and shut down long ago.

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<sup>11</sup> Judy Schneider speaking at the 1991 Florida Conference on Health Care, Orlando, FL, Nov. 8, 1991.

<sup>12</sup> George Roche, *One by One* (Hillsdale, MI: Hillsdale College Press, 1990) xiii.

All but one of the states are required to balance their budget on an annual basis, but the federal government is free to spend more than it has, borrow money it has no way of paying back and continue this fiscal irresponsibility year after year.

There was a time when each new president promised to balance the budget and eliminate the deficit; now, they just blame Congress for the mess. And the difference between what the government takes in and what it spends continues to grow, and the numbers are almost beyond comprehension.

Is it possible we have become so acclimated to massive deficits that we are unwilling to do what is necessary to eliminate them? During a televised interview, talk show host Larry King asked on-again, off-again presidential contender Mario Cuomo how he would balance the federal budget when he hadn't managed to balance the budget of the state of New York. Cuomo's response was illustrative. He said that it isn't necessary to be able to balance the budget to be president. No modern president has ever managed to do it.

In 1984, J. Peter Grace, who chaired the President's Private Sector Survey on Cost Control (popularly known as the Grace Commission), reported the prediction of Data Resources, Inc., that the federal deficit would reach \$2 trillion by the year 2000. It was a sadly conservative forecast; at our current rate, we'll reach that figure by 1994.

The solution to the deficit and a balanced budget is not in raising taxes, which is the knee-jerk reaction of most lawmakers. The solution is in:

- Reducing government spending first to a level that can be managed at current tax rates
- Then, further reducing spending to a level that will allow current tax rates to both provide for necessary current expenses while eliminating the deficit and repaying the national debt
- And finally, to reduce the cost burden government has placed on taxpaying citizens by reducing taxes.

### **An unlimited charge account**

Along with the deficit is the twin monster called the national debt. These issues are generally mentioned together, but they are two separate problems and need to be addressed as such. Thomas Jefferson wrote, "I place economy among the first and most important virtues, and public debt as the Greatest danger to be feared." It's likely that Jefferson, like most Americans, would be unable to

comprehend a debt in excess of \$3 trillion and growing at the rate of almost \$1,500 each minute.

Since interest-free loans are hard to come by, the cost of servicing the national debt is almost as staggering as the debt itself. According to a policy study by Citizens Against Government Waste, over 50 percent of our personal income tax dollars were needed to pay the interest on the debt in 1989; by the year 2000, all personal income tax receipts will be needed just to pay the interest. And while necessary programs are going unfunded, the principal owed continues to grow.

Simply eliminating government waste would be half the battle of balancing the budget and bringing the deficit under control — but that is a task that has proven to be simultaneously simple and impossible.

It's simple because, as Grace said, "All the government needs to do in most cases is to adopt commonsense business management practices that every company must use, from the corner drugstore on up to General Motors, if it is to succeed. It's impossible because the necessary changes must be mandated by Congress, whose members are more partial to spending than saving, and whose political survival depends on bringing federal funds back to their districts.

It was not entirely surprising to learn that 355 current and former members of the House of Representatives bounced 8,331 checks in one 12-month period at their own private bank. After all, they write trillions of dollars' worth of government checks against insufficient funds and call it deficit spending.

Right on top of the "Rubbergate" scandal, we learned that at least 250 current or former members of the House owed more than \$300,000 for meals and catering services from Capitol restaurants.<sup>13</sup> Whoever said there is no free lunch was not a member of Congress.

Members of Congress have gone from being public servants to a privileged few. They get free garage space on Capital Hill, discount shopping, one-day mail delivery, American flags at cost, free use of House and Senate gyms, and, in addition to their \$125,100 annual salaries, they receive thousands of dollars in staff and operating allowances for their offices in Washington and back home.<sup>14</sup> Of course, the publicity surrounding the scandal is prompting the elimination of some of these perks, but the underlying problem is still there, and without drastic changes will only surface again.

<sup>13</sup> *Newsweek*, Oct. 14, 1991, 31.

<sup>14</sup> *Orlando Sentinel*, Oct. 6, 1991, Associated Press.

## Dreams and reality: the American political process

Much as the term “damn Yankee” merged itself into one word around the time of the Civil War, so has the term “crooked politician” become an accepted phrase today. Many joke, with enough seriousness to be shaming, that “honest politician” is an oxymoron, and just the word “politics” has an unsavory ring to it today. Yet the Greek *politeia* means the state of being a citizen, and *politics* by definition means “the science or art of government or of the administration and management of public or state affairs.”

Setting the issue of semantics aside, the very nature of our current political system encourages questionable contributions, deal-making and other unethical behaviors. Mortimer B. Zuckerman, editor-in-chief of *U.S. News & World Report*, wrote, “America may have a first-class standard of living, but it has a second-class economy and a third-class political system.”<sup>15</sup>

Sometimes those who have participated in the corruption are the system's most vocal critics. In admitting to the arrangement of an illegal contribution of \$55,000 in corporate funds to the Finance Committee to Re-elect the President in 1972, George Spater, former chairman of American Airlines, said he wanted to “focus attention on the evils of the present political fund-raising system... Under existing laws a large part of the money raised from the business community for political purposes is given in fear of what would happen if it were not given. A fair and honest law is one that would remove the need of any candidate to exert such pressures, as well as the need for any businessman to respond.”<sup>16</sup>

Political fund-raisers are known for their creativity when soliciting contributions. In a report filed with the Securities & Exchange Commission, one major U.S. company reported paying selected employees large bonuses and directing them to contribute the after-tax amount of the bonus to various political figures.<sup>17</sup>

We don't know how much pressure was put on Eastern Airlines Chairman Frank Lorenzo to come up with \$100,000 for the 1988 Bush presidential bid, but we do know that for the first time in the history of the National Mediation Board, a president rejected the board's advice, which urged Bush to create a federal emergency strike settlement board providing a 60 day cooling-off period. Lorenzo opposed the board — so did Bush. Eastern mechanics, supported by pilots,

<sup>15</sup> *U.S. News & World Report*, March 2, 1992, 72.

<sup>16</sup> *Corruption in Business*, 35.

<sup>17</sup> Incident occurred in 1970, 1971 and 1972. *Corruption in Business* 151.

walked off the job. Then Bush vetoed legislation, also opposed by Lorenzo, that would have created a congressional “blue ribbon” commission to investigate the Eastern strike.

Could other action by Bush have saved Eastern Airlines? Of course, we have no way of knowing, and there is no evidence that Eastern Airlines received any special favors as a result of Lorenzo’s donation. But there is at least a problem of perception, and we do know that as this giant of the aviation industry slips into history amid America’s cloudy political atmosphere, the perception of the electorate is what ultimately matters.

Though politicians have long been viewed as slightly unsavory, an unprecedented number of scandals involving business-political corruption came to light during and after the 1972 presidential election campaign. Besides the Watergate break-in, there was tremendous evidence that a number of corporations provided illegal contributions for election campaigns. Such donations, when discovered, were generally punished by negligible corporate and individual fines and no time in jail. Historically, politicians themselves are usually spared the ordeal of a trial, allowed to cut deals, pay minor fines and often resign with their pensions still intact.

Misuse of political power has been seen at every level of government, from small city councils to state legislators to Congress and even in the White House.

Americans used to react with shock, dismay and a sense of shame to charges of influence peddling, soliciting and/or accepting bribes, and other corrupt deals. Today we’re more likely to shrug off such news; it’s no more than we expect of politicians. And we aren’t especially eager to see people we like and trust enter the political arena. Following Operation Desert Storm, when Norman Schwarzkopf’s name was being bandied about as a possible presidential contender, a letter-writer to *Time* magazine wrote, “Please, General Schwarzkopf, don’t allow yourself to be sullied by the cesspool of American politics.” Another observed, “Schwarzkopf should think on this: No one’s character, marriage or family life is ever improved by getting into politics.”<sup>18</sup>

In his book, *Honest Graft*, Brooks Jackson writes, “The problem isn’t corruption; it is more serious than that. If unprincipled buying and selling of official favors was at fault, then the solution would be simple; honest legislators would refuse to participate, and prosecutors or voters would deal with the rest.”

<sup>18</sup> *Time*, June 3, 1991, 7.

The root of the problem is the money-based elections and lobbying. Even the most principled legislators find it difficult to resist the system, because if they want to stay in office, they are almost forced to play the game. Jackson observes, “The system doesn’t require bad motives to produce bad government... America is becoming a special-interest nation where money is displacing votes... The more money the politicians spend, ostensibly to get supporters to the polls, the more people just stay home.”

*The Washington Post* writer E.J. Dionne Jr. says the American people are weary because “[f]or the last quarter century, American politics has been dominated by divisive, manipulative and largely phony debates about cultural and social issues... [The people] still believe that the purpose of politics is to solve problems and resolve disputes, but that is exactly what politics is not doing... In fact, the gap between what Americans want and what the nation’s leaders are doing is becoming wide.”<sup>19</sup>

### **Who should pay for elections?**

Would changing the source of election funding make a difference? It’s a question our forefathers didn’t need to address, since politics in the 18th century was a gentleman’s pursuit, and candidates paid their own campaign expenses.

But early campaigns were nothing like those we know today. Gentlemen did not run, but rather “stood” for office, and expenses were typically small. Costs were generally limited to the printing and distribution of campaign literature, and perhaps food and strong drink for voters on election day. But in the early 19th century, a new political animal surfaced: professional politicians — men without personal fortunes who not only could not pay their own campaign expenses, but depended on their salaries as elected officials for their livelihood.<sup>20</sup> Today’s politicians run the gamut from members of longtime wealthy families to those whose only income is from the position they hold.

Especially for federal races, and in many state races, campaign expenditures have reached numbers so large that the average American cannot relate to such costs. To wage a winning re-election campaign, the average U.S. senator must raise nearly \$10,000 a week every week during his or her entire six-year Senate term. For that kind of money, where else can a candidate go but to special-interest

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<sup>19</sup> *Orlando Sentinel*, June 2, 1991, G-1.

<sup>20</sup> Robert E. Mutch, *Campaigns, Congress, and Courts: The Making of the Federal Campaign Finance Law* (New York: Praeger, 1988).

groups who have mastered the art of fund-raising and are happy to share their wealth — even if there are a few strings attached.

Of course, contributions from any source are welcome, and politicians like to be able to point to a large number of individual contributions. Consequently, they seize on any opportunity to add to their campaign coffers.

For example, in early 1991, during Operation Desert Storm, freshman Senator Connie Mack (R-Fla.) sent out a letter which read, in part, “The soldiers fighting in the gulf today are some of the finest fighting men and women our nation has ever seen. And that’s why today I need you to help me show them that the American people are behind them 100 percent.” He wasn’t advocating displaying the American flag or yellow ribbons, sending cookies to the Middle East or even donating blood. The letter went on to pitch for a contribution to the senator’s re-election campaign — a race that wasn’t to be held until 1994.

We have to wonder how much of our legislators’ productivity we lose because they are busy trying to raise money for their next campaign rather than working on the country’s economic and social problems — which is what we ostensibly elected them to do.

### **The incumbent advantage**

In spite of such blatant and offensive tactics, Mack’s chances for re-election are excellent because, though we collectively decry the deficit and a host of other national ills, we continue to re-elect incumbents.

Surveys show that most people believe Congress as a whole is doing a less-than-acceptable job, but they give their own representatives a higher rating. The reason is that most lawmakers will meet the individual needs of their constituents by attending civic events, announcing federal grants and contracts, sending out district-wide mailings (some members of Congress spend more on mail alone in an election year than their challengers spend on an entire campaign) and having their staff members respond to constituent problems with government agencies. Columnist George Will points out that Congress creates the problems its members then help solve. He observed, “Congress creates programs, which entail bureaucracies; then members act as ombudsmen, intervening on behalf of grateful constituents.”<sup>21</sup>

<sup>21</sup> *Orlando Sentinel*, Oct. 3, 1991.

This is, unquestionably, the tremendous strength of the incumbent. At the same time, those representatives are building campaign war chests from PACs and lobbyists that are so large any sensible challenger, no matter how strong, will look elsewhere for a job. In 1990, nearly 19 percent of candidates for the House had no major party opposition, and 96 percent of House incumbents running for re-election were returned to office, and all but one Senate incumbent won.

Wayne C. Anderson, chairman and CEO of Polaris Group, wonders if the rising incumbent re-election rate is a result of declining voter turnout. He said:

When you weigh the news coming out of Washington concerning its accomplishments and its scandals, it is easy to realize why the public is dissatisfied with the way things are, particularly as it relates to campaign funds... Ninety-eight percent of the incumbents [are] being re-elected as the country fails to resolve the issues of the day, [and] the cost of winning a seat in the Congress of the United States continues to rise faster than inflation by a factor of four.<sup>22</sup>

It seems the people who are voting are voting for the people who don't seem to be getting the critical jobs done — and a primary reason they aren't getting the critical jobs done is that they are too worried about being re-elected.

New Senators and members of Congress usually arrive in Washington full of ideas and ideals, ready to change the world. But it's an attitude that doesn't seem to last long. There *is* a mystique that surrounds elected officials, especially in historic Washington, and too many of them are too quick to accept the elite image as reality. The perks and the power of being in the Congress or the Senate are appealing and addictive. Lord Action, who wrote, "Power tends to corrupt and absolute power corrupts absolutely," also pointed out, "There is no worse heresy than that the office sanctifies the holder of it." In spite of our best hopes after each election, the world "inside the beltway" doesn't change.

It's interesting that the same politicians who call for a level playing field in international relations don't find it necessary to conduct their own elections on such terms. One simple step that would go a long way toward reducing the incumbent advantage is to curtail congressional franking privileges for free postal service, limiting it to correspondence dealing with constituent inquiries and eliminating district-wide mass mailings. Such an action would also save the

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<sup>22</sup> Wayne C. Anderson speaking before the National Association of Manufacturers Annual Public Affairs Conference, March 25 – 28, 1990.

taxpayers a significant amount of money. But can we expect the very people this system benefits to take such a privilege away from themselves?

Though voter turnout in local and state elections is even lower than in national contests, we appear to be less tolerant of governors and mayors who fail to meet our needs and expectations.

Shortly after the 1990 elections, former Virginia governor Gerald Baliles observed, “It is clear from the results of the November elections, and the comparative numbers of incumbents who were unseated, that governors are held much more accountable by their constituents than members of Congress.” Perhaps it is because the actions of local and state officials have a more immediate and easily recognizable impact on our lives. We have control there, but we do not have control in Washington.

### **Political action committees**

In spite of growing concerns about influence-buying, the number of political action committees (PACs) and the dollars they spend continue to grow. In 1979 – 1980, PACs contributed a total of \$17.3 million to Senate campaigns and \$37.9 million to congressional races. By 1987 – 88, those numbers were up to \$45.6 million to Senate candidates and \$102.3 million to congressional contenders.

According to the Center for Responsive Politics, in 1974, 28 percent of the House winners received 30 percent or more of their contributions from PACs. By 1986, that figure had increased to 82 percent of all House winners. In the Senate, the percentages are slightly lower, but the increases are still there: In 1978, 17 percent of all Senate winners received 30 percent or more of the funds from PACs; in 1986, the figure was 65 percent. And PACs clearly and openly support candidates who support their agenda.

Though there is nothing inherently wrong with the idea of special-interest groups, certainly there is something seriously wrong with the role they play — through the money they raise and distribute — in American politics today. In too many cases, money determines who shall run for office and what messages will be conveyed to the public. And lawmakers have found themselves necessarily obsessed with money, for they must have it if they are to remain in office. In *The Best Congress Money Can Buy*, Philip M. Stern wrote, “Yet that prime determinant, money, is a poor tool of democracy, for money is indifferent to truth and to justice...”

Yet, as citizens pour money into PACs, they talk about wanting elected officials who are not influenced by such donations. In an address at Boston University, Representative Barney Frank (D-Mass.) summed it up when he said, “We are the only human beings in the world who are expected to take thousands of dollars from perfect strangers on important matters and not be affected by it.”

We do not tolerate such favors being given to any official other than those we elect. Judges, for example, are quickly disciplined at the very hint of judicial misconduct. We are appalled at the very idea of judges accepting money or other favors from defendants or plaintiffs, but we don’t even bat an eye when legislators do that very thing.

Though we want them to, and they claim to, be unaffected by contributions, do elected officials remember who donates? It would seem so. In *Congress Speaks — A Survey of the 100th Congress*, a report by the Center for Responsive Politics, 20 percent of all members (Senate and House) said campaign contributions influence votes in Congress.<sup>23</sup> One PAC director was quoted as saying, “Do staff keep little black books of who gives? Sure they do. I’ve had members [of Congress] tell me that. One senator has said, ‘I’ve had people contribute to my campaign, and they get access; the others get good government.’”<sup>24</sup> It’s easy to wonder just how good that government can be if the total voices of the constituency are not being heard because they don’t have access.

### **Different kinds of PACs; different ways to spend**

The Federal Election Commission categorizes PACs as corporate, labor, trade/membership/health, non-connected, cooperative and corporation without stock. The goals of corporate and labor PACs are fairly obvious: to promote the interests of their own organization. In addition, many issue-oriented PACs that are not connected to corporations or candidates serve a valid purpose. Such a PAC gives its members a collective voice and provides twofold education: It explains the issues to candidates and legislators, and lets members know the candidate’s position.

But not all PACs have such a well-defined mission. Leadership PACs are established by politicians in congressional and other leadership positions to aid

<sup>23</sup> The Center for Responsive Politics, *PACs on PACs* (Washington, DC, 1989) 4.

<sup>24</sup> *PACs on PACs*, 12.

both the politician himself and other candidates.<sup>25</sup> These PACs solicit contributions from both well-heeled individuals and other PACs, where they often exert undue pressure for funds.

When William Moore of the National Association of REALTORS® testified before the Senate Rule Committee in 1987, he called leadership PACs “nothing more than slush funds which allow PACs to contribute double the legal maximum to powerful members of Congress.”<sup>26</sup> Some national leadership PACs also have nonfederal accounts, where money outside the reach of federal monitoring and disclosure laws is deposited and spent. Other members have chosen PACs registered only at the state level as a way to escape federal restrictions and disclosure requirements.

Leadership PACs have been disparagingly called “back-pocket” PACs and are often formed under the guise of party building or issue solving. Whether or not they actually accomplish any of these purposes is difficult to tell, since election laws are riddled with loopholes that some politicians are only too happy to take advantage of.

Though limits exist as to how much individuals and groups may contribute directly to a campaign, there is no restriction on how much they may spend independently of the campaign to further their cause. A PAC may target a candidate either for election or defeat, and as long as they do not communicate with the campaigns involved, they can spend as much money as they choose. In 1987 – 88, various PACs reported spending \$20.8 million on independent expenditures. Of that, \$16.2 million went for campaigns promoting specific candidates and \$4.6 million was spent campaigning against candidates.<sup>27</sup>

A major problem with independent expenditures is, of course, accountability. Most independent expenditure campaigns attempt to degrade the opposition while promoting their own point of view, yet the candidates themselves cannot be held responsible for charges made by an independent organization. Any attempt to stifle independent expenditures would likely be unconstitutional, and so far no workable reform ideas have surfaced on the legislative front.

Nor does the spending stop after election day. It’s not unusual for a campaign to end up in debt when the election is over, nor is it unusual for a PAC to make a

<sup>25</sup> *PACs on PACs*, 42.

<sup>26</sup> *PACs on PACs*, 42.

<sup>27</sup> Statistical Abstract, 1991, Table 458.

significant contribution to a successful challenger, even after the organization supported the incumbent, after the votes are counted. Assisting these new senators and Congress members with campaign debt retirement is one way PACs correct their mistake of initially backing the losing candidate — and giving themselves access to freshmen lawmakers.

Contributions don't necessarily have to be in cash; they can be any type of goods or services. In-kind donations are often more visible and form a more lasting impression in the candidate's mind than a cash gift of comparable value. For example, employees can be loaned to a campaign, or a PAC can agree to fund a particular event or effort. An in-kind donation gives the PAC more control over how their money is spent and promotes personal relationships between campaign staffers — who often become office staffers — and PAC representatives.

Today we might hear of such glamorous contributions as a campaign receiving the use of a corporate jet, but in-kind donations are not new. One of the earliest in-kind contributions in American political history occurred in 1757 when George Washington ran for the Virginia House of Burgesses and local merchants donated the liquor Washington used to ply the voters.<sup>28</sup>

### **The effect of PACs on grassroots involvement and voter participation**

The growing voter apathy is also producing a campaign-worker apathy, and the reason can be at least partially attributed to the high-dollar donations of PACs. PAC money buys advertising time, finances printing and postage costs, and even pays workers to stuff envelopes and make telephone calls.

Senator Dennis DeConcini (D-Ariz.), the director of one of Arizona's PACs, said, "You know, we have gotten pretty lazy ourselves. We now just give the money, or we agree to underwrite the mailing. That is what our contribution now is to this political process. We no longer go and try to stir the interest of our employees; we just ask them to join [the corporate PAC], because that is the political process."<sup>29</sup>

Though some PACs do try to generate grassroots involvement, their focus is primarily on fund-raising — a necessity if their contributions are to have the desired impact. PAC representatives argue that when people contribute to

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<sup>28</sup> Larry J. Sabato, *PAC Power: Inside the World of Political Action Committees* (New York: W.W. Norton & Co., 1984) 93.

<sup>29</sup> *PACs on PACs*, 15.

campaigns, they are more likely to vote since they have a vested interest in the candidate. But some elected officials disagree. When Florida Governor Lawton Chiles was in the Senate, he said:

[PACs] tend to stifle participation and, more importantly, they become a barrier between the member and many of his constituents, because they foster the well-founded perception that money can be more important than the individual's vote... To me, the result dilutes the principle of one man, one vote. This country has worked very hard to fulfill that promise, and I think we should be watchful of any tears from that fabric.<sup>30</sup>

Chiles made his point even more vividly in his 1976 Senate race by limiting contributions to \$10 and refusing funds from out-of-state donors. Faced with heavily financed Republican opposition in 1982, he raised the donor ceiling to \$100. In his 1990 race for governor, Chiles proved to the nation that winning campaigns can be waged without vast sums of special-interest dollars: He limited contributions to \$100 per person, refused PAC money and soundly defeated his incumbent opposition. (Of course, it must also be noted that even with limiting contributions, Chiles raised and spent \$5,246,517; his opponent, Bob Martinez, spent \$10,672,575 — more than twice as much.<sup>31</sup> Chiles may not have spent special-interest dollars, but he still had to spend a lot of money to wage his campaign.)

It may be true that people who contribute to PACs are more likely to vote, but it is also true that PACs have experienced a significant decrease in small individual contributions.<sup>32</sup> The feeling appears to be that since these \$5 or \$10 or \$25 donations can't buy much, there's little incentive to bother with them — and the feeling applies to both contributors and PAC managers. There is evidence that the attitude toward small donations has spilled over to voting.

In 1988, just 50.2 percent — barely more than half — of the voting-age population cast their ballots for president, down from 62.8 percent in 1960. Even fewer people took the time to vote for U.S. representatives: 44.8 percent in 1988, down from 58.5 percent in 1960. And in non-presidential election years, the turnout is considerably worse. In 1986, just one-third of the voting-age population

<sup>30</sup> *PACs on PACs*, 16.

<sup>31</sup> State of Florida Division of Elections, unaudited figures.

<sup>32</sup> *PACs on PACs*, 17.

voted for congressional representatives. What is going to happen when we have an election and only the candidates bother to vote?

But to suggest that PACs be severely restricted in how they may participate in the election process is simplistic, undesirable and treats symptoms rather than causes. Limiting PAC campaign gifts could be considered unconstitutional and is certainly an infringement of First Amendment rights. What's more, since candidates are allowed to spend unrestricted amounts of personal funds on elections, restricting PAC donations would help wealthy candidates and severely hinder less affluent office-seekers.

Though PACs do have numerous positive aspects, campaign reform is essential if we are to remove the control of our democratic process from the special interests and eliminate the appearance of improper influence.

### **A few more comments on campaigns**

While the Supreme Court has upheld limits on campaign contributions, it has determined that restrictions on candidate spending would be a violation of the First Amendment. Just as there is no security system a criminal can't figure out how to get by, there will likely never be a campaign law that has absolutely no loopholes. Indeed, most special-interest and other types of political reform ideas have drawbacks of some sort. Could it be the solution lies within each individual to exercise their own sense of moral integrity and ethics?

As candidates try to get the edge on one another, the campaign process gets longer and longer — so long, in fact, that we are thoroughly bored by the whole thing when election day rolls around. To make things worse, most of the candidates look and sound alike, and voters have the impression that it really doesn't make any difference who gets elected. After all, cold, hard reality has proven that regardless of who is in office and what they promised on the campaign trail, taxes will go up, spending will increase, the debt will continue to climb and social issues will evolve on their own. Is there any wonder that voter apathy and cynicism prevail?

The cost of campaigns raises some interesting questions about office-seekers. The average candidate for the U.S. Senate spends more than 23 times that position's annual salary to get elected — a fact, according to one man interviewed in *Citizens and Politics*, which proves financial irresponsibility.

## **Where do the people come in?**

Indeed, we must wonder how someone whose career is being a legislator can actually be a representative of the people. It is only natural that such career legislators are going to be primarily concerned with keeping their jobs — a flaw in the system unforeseen by our Founding Fathers.

Edward Crane, president of the Cato Institute in Washington, D.C., said, “What I would like to see are legislatures in which the men and women who populate them consider themselves to be, in essence, on a leave of absence from their real jobs... I believe you would see a more appropriate cross-section of society seeking and obtaining office.” During the 100th Congress, more incumbents left the House of Representatives by death (seven) than by defeat at the polls (six).

With no way currently for capable, youthful members to move quickly into positions of power and effectiveness, Congress should consider modeling its seniority system after that of the military. In the various branches of the armed forces, the number of senior personnel is limited. Career service members who are repeatedly passed over for promotion are forced to retire, opening the way for ambitious, qualified junior personnel to advance. The congressional equivalent would be term limitations.

Crane observed, “The way it is now, if you want to have serious influence in Congress, you had better plan on staying there for 15 or 20 years. A lot of good people find that an unattractive prospect.” Supporters of term limitations claim it would reduce the number of committees and aides, introduce younger members with fresh ideas and cure Capitol Hill careerists of “Potomac vanity.” A CBS News exit poll conducted on election day in 1990 revealed that 70 percent of American voters support term limits.

Opponents argue that limiting congressional terms would actually lead to more committees, an increased number of staffers wielding even greater power and the loss of the critical perspective and institutional memory provided by veteran lawmakers. To those who argue that term limitations would reduce the amount of experienced leadership in Congress now, we can only point to the problems we are currently experiencing and wonder just how much worse it could get.

Crane believes term limitations may be part of the solution to runaway government spending. “If you look at the voting records of congressmen — and this has been verified by groups ranging from the National Taxpayers Union to the Citizens for a Sound Economy — the longer they are in office, the bigger spenders

they become,” he said. “And this is only logical. As their network of deals, obligations and reciprocal arrangements expands, so too does the necessity to vote ‘aye’ on spending measures.”

Today government mirrors business and industry in shortsightedness. Unable to see past the next election, our political leaders specialize in management by crisis. The evidence is all around us: haphazard growth, environmental problems, the S&L crisis, the deficit, the ongoing federal budget problems, uncontrolled spending — the list goes on. We do not reward long-term planning, so we choose to perpetually operate in the here and now without thought to the future.

**Seniority of Members of U.S. House of Representatives\***

Year	Less than 2 years	2 – 9 years	10 – 19 years	20 – 29 years	30 years or more
1977	71	207	116	33	8
1979	80	206	105	32	10
1981	77	231	96	23	8
1983	83	224	88	28	11
1985	49	237	104	34	10
1987	51	221	114	37	12
1989	39	207	139	35	13

**Seniority of U.S. Senators\***

Year	Less than 2 years	2 – 9 years	10 – 19 years	20 – 29 years	30 years or more
1977	18	41	24	12	5
1979	20	41	23	12	4
1981	19	51	17	11	2
1983	5	61	21	10	3
1985	8	56	27	7	2
1987	14	41	36	7	2
1989	23	22	43	10	2

\* Consecutive years of service

[Source: Statistical Abstract of the United States, 1991, Table 441]

## Give government back to the people

In 1975, a small liberal arts college in Michigan was notified by the federal government that as a “recipient institution,” the school must sign a compliance form agreeing to submit information to the Department of Health, Education and Welfare (HEW) listing the sexual and ethnic makeup of the school. Hillsdale College had never accepted federal funds, so administrators thought the notice was a mistake.

It wasn't.

The federal bureaucratic reasoning was that since some Hillsdale students were financing their education in part with government loans and grants, Hillsdale was a recipient institution and therefore subject to government control.

But let's extend this line of thought: Millions of Americans receive Social Security payments, food stamps, welfare, Medicare and other types of federal aid. By this logic, every place they do business — every restaurant, every grocery store, every dry cleaner, every ice cream shop, every department store, even the publishers of the magazines and newspapers they buy — is a “recipient institution” and therefore subject to government control. Indeed, the New Deal judiciary mandated exactly this.

Hillsdale College disagreed. The school put up a brave fight, and the issue ultimately went to the Supreme Court. Nine years later, the government won, striking a vicious and chilling blow to academic freedom. Today, spunky Hillsdale remains free of government intrusion by refusing to admit students who intend to pay for any part of their college education with federal grants or loans — a sad situation for both the school and prospective students.

But there's more to this story. Hillsdale's president George Roche tells it this way:

In February 1983, the Supreme Court ruled that any American college or university was the recipient of federal funds if loans and grants were received by a single student on its campus. The government, however, could withhold funds only from specific departments or programs which were not in compliance with federal regulations...

[Liberal legislators] were furious that they had not quite reduced private colleges to unconditional surrender... They promptly whipped up the Civil Rights Restoration Act... What the bill provides is that the government may cut all funds to any institution that fails to fully comply with a regulation — even in one department. It applies to any direct or *indirect* recipient of federal funds.

It is... one of the most sweeping impositions of federal power over free Americans that has ever been seriously proposed... They may as well announce, "You take our money, we *own* you." What is especially galling about this is that "federal" money was forcibly extracted from us in the first place. When they "give" some of it back, it comes not with strings attached but with chains.<sup>33</sup>

There is a broad and sinister implication here of the ever-increasing power of the government to interfere in citizens' private affairs. And as government meddling grows, the level of general dissatisfaction with government services is high and rising. Governments at all levels are overwhelmed by a population demanding more services and lower taxes. With all the best intentions (at least, we like to think their intentions were good), the federal government has interfered far too deeply in matters that should be under state and local control. This creates unnecessary layers of bureaucracy, additional expense, and contributes to the general feeling that individuals can't make a difference. It also removes the incentive for private-sector action.

When our government was formed, it was based on the concept that issues should be handled at the lowest possible electoral proximate. For example, the federal government doesn't need to make educational decisions that can be more efficiently handled by local school boards. Certainly the state doesn't need to get involved in city or county animal control or nuisance-type ordinances. On the other hand, we do need the federal government for such functions as establishing and managing a common currency and maintaining a strong national defense system or a unified international policy.

But the feds seem determined to meddle in issues that should not — and, in fact, do not — concern them, issues that should be managed and controlled by local and state governments.

Going beyond the fact that the Constitution was not designed to produce a strong central government, such a system in a nation as geographically, socially, economically and environmentally diverse as ours just simply isn't practical. Whatever the issue, jurisdiction should be coterminous with the body of population affected by those decisions.

Using the economy as an example, it is clear that any given government action will usually influence only one geographic region. A hard freeze in Florida that severely damages citrus has absolutely no impact on a weevil attack on cotton in

<sup>33</sup> Roche 11 – 12.

Oklahoma, so an aid program designed to help farmers in one area won't be structured to do anything for the farmers in the other. A nationally based policy is powerless to exercise its jurisdiction in a manner which is regionally productive.

When it comes to providing businesses with incentives to add workers, a federal corporate tax rebate for job creation is equally ineffective. There is no way a piece of federal legislation can be tailored to meet the needs of individual communities, and it is likely that too many companies who don't need such a rebate will take advantage of it, while those who could use it will not. We support more effective methods such as the enterprise zone program, which is in place in a number of states, where state taxes are rebated for employment efforts and other local activities affecting designated economically disadvantaged areas.

The solution is to move taxing, spending and decision-making to the absolute lowest possible common denominator, where the best possible courses of action can be chosen for the affected group. Only then can the federal government be able to reduce spending and lower taxes. State and local governments may be forced to increase taxes to accommodate their increased level of responsibility for services, but the overall tax bill for the individual will be lower, with greater local control.

Our point is not that the federal government is not legally entitled to meddle. The aftermath of the New Deal and the Supreme Court decisions which permitted that legislation was exactly that — a permit for the federal government to deal with state and local issues that had broad-scale concern. The economic evils the New Deal felt compelled to address, the social evils which the New Frontier and the Great Society engaged in battle — all needed substantial centralization of jurisdiction on a federal level. Legal history has given the federal government the right to travel deep into the nooks and crannies of the smallest municipality's streets and alleys.

What must be addressed is the long-term implication of what this nationalistic expansion has done to our country. Any benefits which have been achieved on economic and social levels must be measured against the consequences of that intrusion in terms of the social consciousness and self-concept of the people being governed. Within this context, the story of Hillsdale College is simply the institutional challenge on a very small level that we must now confront on a larger, societal level.

## **The difference between funding and providing**

Just because government funds a service, it doesn't need to provide it. We discuss the concept of privatization in greater detail in chapter five as it relates to education, but the principles are the same regardless of the service involved.

It is ludicrous that a country whose major strength lies in the free enterprise system should turn away from that system when it comes to government services. But the issue of power plays a tremendous role in the decision-making process of bureaucrats. Privatization reduces the number of civil service employees; the money saved reduces budgets; and the bureaucrats see themselves losing their power base.

Even where privatization is theoretically in place, government agencies seem to be determined to make bidding on and winning contracts as difficult as possible. Carol Lotspeich of the environmental consulting firm Lotspeich and Associates prefers to subcontract rather than deal with the government directly. Even though as a woman-owned business she would likely qualify for contracts, she says the paperwork involved takes all the profit out of them for a small operation like hers. She estimates that she would need an additional full-time staff person simply to deal with the paperwork of qualifying and bidding, with no guarantee of a contract.

Part of the paperwork is the military specifications — special descriptions of everything the military needs. A hammer from the local hardware store isn't good enough for our troops — it has to be a “manually powered fastener-driving impact device.” Some descriptions are astoundingly absurd in their length. In *Doublespeak*, William Lutz says the specs for T-shirts takes 24 pages; 15 pages for chewing gum; 17 pages for Worcestershire sauce; a “trap, mouse” takes 22 pages; and a “whistle, plastic” spans 16 sheets of paper. We might laugh at calling a zipper an “interlocking slide fastener,” but where, truly, is the humor?

In spite of all the federal challenges, communities across the country are experiencing remarkable success with privatization. When Phoenix, Ariz., divided itself into five districts and put garbage-collection services out for bids, the city agency was allowed to compete but initially lost contracts. It won them back after cutting costs 25 percent.<sup>34</sup>

Privatization of many government activities typically reduces costs by 20 to 50 percent.<sup>35</sup>

<sup>34</sup> *Newsweek*, July 1, 1991, 31.

<sup>35</sup> “How Rising Tax Burdens Can Produce Recession,” Policy Analysis, Cato Institute, Feb. 21, 1991, 16.

## The case against federal income tax

We have come to accept income taxes as a fact of life, but less than 100 years ago, when Congress passed the first-ever peacetime income tax in 1894, the Supreme Court declared it unconstitutional. Federal legislators, however, couldn't keep their hands out of citizens' wallets: In 1909, Congress sent a constitutional amendment that would allow federal income tax to the states for ratification. The implications of the language of that amendment were — and are — frightening:

“The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census of enumeration.”

New York and Massachusetts rejected the amendment, but it was supported by smaller states and ratified in 1913. Congress was quick to pass implementing legislation.

According to the *New York Times*, the new income tax established a “rock of credit from which abundant streams of revenue will flow whenever Congress chooses to smite it... We may be sure that it will be smitten hard and always harder, until the national conscience, if there is such a thing, revolts against the inequality and injustice of such a plan of taxation.”

We don't know what happened to the national conscience, but we do believe that there is no more damaging a form of taxation than one that penalizes productivity and thrift. The process is extremely discouraging: Work harder, earn more money, pay more taxes; save money, invest it in an interest-bearing vehicle, pay more taxes. Until the Tax Reform Act of 1986 phased out the interest deduction on personal credit, it appeared more practical to charge (and develop the habit of instant gratification) than to save, since interest paid on a credit card was deductible and interest earned on a savings account was taxed.

Our present federal income tax system is a demoralizing nightmare for most Americans. Bureaucrats have the unbelievable audacity to treat the personal income of Americans as the property of the state, and they benevolently allow us to keep some of it. Complicated regulations and a variety of loopholes encourage otherwise honest people to cheat. Worse, it invades our privacy, forcing us to report the most intimate details of our lives.

Author James L. Payne said:

There are now, for example, some 81 specific types of personal financial information that third parties are forced to report to the IRS. And in a little more

than a decade, the number of IRS penalties has *doubled*. The number of liens it has filed against taxpayer property has *tripled*. The number of levies to seize taxpayer assets has *quadrupled*. In 1989 alone, there were 2.3 million of these levies.

“The federal tax code itself has become impossibly complex, due to constantly changing reporting requirements. A recent national accounting firm study revealed that businesses and individuals spent over *five billion hours* on federal tax compliance activities in a single year. That is the equivalent of hiring 2.7 million people working full time on tax compliance! The cost to the American economy in terms of mere added labor is staggering.”<sup>36</sup>

Beyond the practical aspects is the moral issue, and George Roche says it simply: “Where justice says you are entitled to the fruits of your labor, the income tax takes a large and unearned cut for the state, by force. Where justice says, ‘To each his own,’ Treasury says, ‘Oh, no you don’t — we get ours first.’”<sup>37</sup>

The Internal Revenue Service is the most feared government agency in the United States — an agency whose policies directly contradict our constitutional principles. The “innocent until proven guilty” platform of our judicial system doesn’t apply to the IRS, which can attach wages and confiscate property at will — and often does so with terrifying zeal.

The thousands of documented horror stories of lives ruined by the IRS, of taxpayers erroneously accused and hounded, have reduced otherwise self-confident, law-abiding citizens to a collective quivering mass when faced with the prospect of an audit or a jeopardy assessment. In a socialist society, this would be unacceptable; in a democracy, it is intolerable.

There is a far better way to finance our government: Use taxes, which can be in the form of value-added taxes, excise taxes or sales taxes. A value-added tax means that each time value is added to a product, the manufacturer adds an appropriate tax. Raw materials are taxed lightly; it is only as they are refined and gain value that taxes are imposed. Excise taxes are added to products prior to their sale, and are often referred to as “sin taxes,” since we primarily apply them to liquor and tobacco products. Sales taxes are by far the simplest to manage. At the point of sale, the tax is added and collected, then forwarded to the government.

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<sup>36</sup> James L. Payne, remarks presented at the Shavano Institute for National Leadership seminar, “Political Reform in the 1990s,” Jan. 16 – 17, 1991. Published in *Imprimis*, May 1991.

<sup>37</sup> Roche 143.

A national sales tax instead of the federal income tax would equalize the disparity that currently exists between some wealthy taxpayers and people in lower income brackets. It would make it more difficult for criminals to enjoy their illegal incomes without paying their fair share in taxes. The so-called underground economy, where people are paid in cash to avoid taxes, would be largely eliminated, and the often-controversial tax-exempt status of churches would become a nonissue. A national sales tax would reduce the accounting burden on businesses, who must now spend time calculating and processing federal income tax withholding. It would certainly reduce the bureaucracy of the Internal Revenue Service (one estimate is that a national sales tax could be administered by an IRS just 5 percent of its current size), and eliminate the annual nightmare of filing an income tax return. Essentially, user taxes would reward productivity and savings, whereas income taxes penalize successes in those areas.

To the argument that government needs a stable source of income largely unaffected by economic cycles, we say this: When revenues are down in the private business sector, operations are streamlined to reduce costs and alternative markets are developed. When individuals suffer income reductions, they cut out luxuries, look for second jobs and make do. Is there any reason why the government can't operate like the rest of the country does?

Necessary items, such as food and medicine, could be exempt from a national sales tax. The tax rate should graduate based on the value of the item, with a higher rate being charged for luxuries, which would provide a necessary safety net for the very poor.

We want to make it very clear that we are advocating *replacing* federal income tax with a federal use tax in the form of a sales tax, which means repealing the Sixteenth Amendment. All too often, replacement revenue sources are proposed, and adopted, but the original tax is never removed, and the total tax liability rises — something we strongly oppose.

Of course, there is one drawback: A simple sales tax would seriously damage the thriving industry of tax preparers that has sprung up in response to increasingly complicated IRS requirements. We think our economy can stand it.

### **The government/business relationship**

A government cannot provide prosperity for its people; they must do that for themselves, and they do it through business. Though we speak grandly of our free enterprise system and sing the praises of capitalism, the truth is government has

interfered with business far more than is appropriate or necessary. Each additional regulation cuts into profits, adds to the ultimate cost of goods, expands the federal bureaucracy and inhibits growth, expansion and innovation.

In all fairness to government, it must be noted that businesses themselves often initiate regulations. But, as international consultant Kenichi Ohmae observed, “[S]uccessful companies spend time in conversation, in close touch with what is going on in the marketplace. Unsuccessful companies run to Washington or Brussels or Kasumizaseki (the district in Tokyo where all the Japanese governmental agencies are located).”<sup>38</sup>

So-called protectionist laws create the equivalent of a welfare state for business and, says author Paul Weaver, “[c]orporate welfare in a competitive world is a recipe... for economic decline and collapse. Protecting and subsidizing corporations is a way of making them weak, irresolute, uncompetitive.”<sup>39</sup> Weaver goes on to suggest that business leaders “reach back and revive an older concept of the corporation that is built on the bedrock of individual rights, competitive markets and limited government.”<sup>40</sup>

When the federal government can't manage to balance its own budget, should it be telling American companies how to run their businesses? After George McGovern's venture into the restaurant business went bankrupt, he was quoted as saying he had no idea how difficult it was to meet all the regulatory requirements of running a restaurant and that a stronger business knowledge “would have made me a better U.S. senator and a more understanding presidential candidate.” Yet as a legislator, he certainly had his hand in creating those requirements, and as a presidential contender, he fought fiercely to socialize whole segments of regulation. Now he says, “We intuitively know that to create job opportunities, we need entrepreneurs who will risk their capital against an expected payoff. Too often, however, public policy does not consider whether we are choking off those opportunities.”

At the same time Congress is liberally meddling in business operations, it has exempted itself from employment discrimination laws, conflict-of-interest laws, and wage and hour laws, along with provisions of the Freedom of Information Act, the Government in the Sunshine Act and the Privacy Act. When legislators do not

<sup>38</sup> Kenichi Ohmae, *The Borderless World* (Harper Business, 1990) 103.

<sup>39</sup> Paul H. Weaver, *The Suicidal Corporation: How Big Business Fails America* (New York: Simon & Schuster, 1988) 20.

<sup>40</sup> Weaver 21.

have to live under the legal regimes they enact, they are not fully representative of the people and cannot fully evaluate the ramifications of the laws they pass.

Forcing Congress to exist under their own laws would likely cause a mad scramble for the repeal of major amounts of legislation. It would also go a long way toward moving Congress out of the business of trying to manage American's businesses.

Kevin J. Price, executive director of the Free Enterprise Education Center, said government should serve as a "rule-maker and umpire to protect property and freedom... to promote competition... [and to] settle disputes resulting from conflicting interpretations of the rules."<sup>41</sup>

### **Empowered individuals mean a powerful nation**

There's something very ironic in the fact that a nation which rose to superpower status on the strength of its system of government could lose that status because of that very same government. This is not to say that the American Experiment has failed; indeed, we believe it has been a rousing success. The problem has occurred as we have moved farther and farther away from the original concept of the Founding Fathers, from a government designed to serve the people to one that makes increasing demands on its citizens, from legislators proud to do their civic duty and return to private life to career politicians whose goals are to forever feast at the public trough, from citizens who cared enough to revolt under oppression to citizens who feel powerless to effect any change at all.

But even though they may feel ineffective, most Americans are fiercely proud of their communities and the nation, and they want to see positive change.<sup>42</sup> Many claim they have not permanently walked away from politics, but are refraining from participating until they believe they can make a difference.<sup>43</sup> But without their efforts, the changes they desire will not happen.

It's time for another American Revolution, for citizens to rise up and take back their government. We'll discuss what needs to be done in more detail later, but first we will look at the institutions that most vividly reflect the American Dream.

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<sup>41</sup> Kevin J. Price, executive director, Free Enterprise Education Center, addressing the Rotary International and the Rotary Club of Warsaw City, Warsaw, Poland, May 12, 1991.

<sup>42</sup> *Citizens and Politics*, 34.

<sup>43</sup> *Citizens and Politics*, 37.

CHAPTER 3

**American Business:  
The Struggle for Independence Continues**



*“I cannot say that I am in the slightest degree impressed by your bigness, or your material resources, as such. Size is not grandeur, and territory does not make a nation. The great issue, about which hangs true sublimity, and the terror of overhanging fate, is what are you going to do with all these things?”*

*Thomas Henry Huxley, address delivered at the formal opening of Johns Hopkins University, Baltimore, Maryland, September 12, 1876*

In a free enterprise system, business is the vehicle by which individuals produce income through the process of providing goods and services in exchange for financial compensation. From its most simple to most complex incarnation, business allows the opportunity to assert personal responsibility.

The concept is basic enough. You work, you earn money and therefore you have a share of the mechanism we use to acquire material goods. If you do not work, you do not earn money.

If you have money, you are able to purchase food, shelter, other necessities and varying amounts of luxuries. If you do not have money, you cannot purchase these items; you either do without or you depend on someone else to provide them for you.

Personal responsibility through work is manifested in three primary ways. The first is income, the actual dollars earned.

The second way is the lifestyle that is produced by way of what we do to generate income. For example, it's entirely possible for someone who sells computers, a Teamster truck driver, an established store owner and a newly practicing physician to have incomes in the same general range, yet it's probable that their lifestyles will be distinctly different.

Third is the degree of personal satisfaction we gain from the work itself.

What a concept! But this is nothing new: The idea of demonstrating personal responsibility through work is as old as time itself. We call it the work ethic.

The tragic paradox in the United States is that our present society is not structured to accommodate the assertion of personal responsibility through work. If you work and earn money, you are required to pay taxes to support those who do not. If you do not work, you can live in government-subsidized housing and receive welfare checks and food stamps.

Of course, this is a generalization; there are responsible people who turn to welfare for temporary assistance during hard times, and some people take advantage of government programs to pull themselves out of the welfare/poverty cycle — but these people are in the minority.

The more common products of the system are more like a young Louisiana woman who found herself pregnant a few years ago. Both she and her husband were unemployed, but the timing to have a baby was perfect, she said, because the state would pay for everything. Had she or her husband been working, they would have been forced to pay for at least a portion of her prenatal care and

hospital bill. After the baby was born, when their unemployment benefits were exhausted, the new parents found jobs.

The system clearly provided this couple with a disincentive to work. Worse, they had no qualms about accepting goods and services without making a corresponding contribution to the community that was providing them.

This attitude is not restricted to the unemployed. Dependence has invaded our society like a virus, undermining the confidence of our people and inhibiting our ability to compete in an increasingly sophisticated global market. It is a vicious cycle in a downward spiral: The more entitlements we receive, the more entitlements we expect. And like a child who doesn't care whether the cookies come from Grandma or Auntie, many Americans indiscriminately take their demands to whatever entity they believe may provide them.

And each time a new demand is met, with every new entitlement, our sense of pride and self-respect deteriorates a little more.

The damage to business, industry and the overall economic status of our country is serious, but not irreversible. The virus infecting the United States is a 20th-century phenomenon, and it can be cured with 21st-century necessity.

### **But first, the historical perspective**

During the 15th, 16th and 17th centuries, as the world was being explored and colonized, some adventurous individuals cared more for the process of discovery than they did money. But for the governments and investors who financed the expeditions, compelling, of course, was the anticipation of profits.

England's American colonies, for example, were expected to provide cheap raw materials to the mother country, from which they would also purchase finished goods. The colonies were not allowed to manufacture products, nor were they allowed to purchase them from a third country.

It was a pretty good deal for England; not so good for the American colonies. The rising commercial class of merchants and bankers in the colonies soon became disenchanted with the system. Author and political economist Robert B. Reich points out that though there were many reasons why the American colonists sought independence from England, "had they been able to develop their own economies uninhibited by England's mercantilist demands, the separation would have occurred much later, and probably more peacefully."<sup>1</sup>

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<sup>1</sup> Robert B. Reich, *The Work of Nations* (New York: Alfred A. Knopf, 1991) 15.

The years following the American Revolution were spent establishing an economic identity for the United States and building trade relationships with other countries. Once these goals were accomplished, the momentum picked up.

The period of the late 1800s and early 1900s was a time of national expansion and monetary growth, and the national economy represented the nation's strength and determination. High-volume manufacturing drew people from the rural areas into the cities, where a more dense population helped promote the idea of nationalism. We were making more products than we could consume, so sales to other countries became essential. We found markets for our goods around the world, which further enhanced our economic position and, accordingly, made us more powerful.

Even though we were competing quite successfully in the international marketplace, Americans operated their businesses in a unique manner. In Europe and Japan, various bureaucratic trade restraints had been accepted for centuries. By contrast, Americans believed in limiting governmental authority, which meant the syndicates, cartels and large consolidations so common elsewhere were virtually unheard of here. When U.S. companies began discovering cooperative methods to reduce domestic competition and maintain price levels, public reaction resulted in the Sherman Antitrust Act of 1890. Price-fixing, monopolies and market-dividing agreements were outlawed.

The same American ingenuity that had been responsible for countless social, economic and technological advances over the years was also able to circumvent, to a significant degree, the Sherman Antitrust Act. If separate, individual companies weren't allowed to agree with one another on prices and markets, they would merge into corporations whose component parts could legally do just that. The solution was America's first great merger boom, which began in the early 1890s until 1904.

The names of some of these fledgling conglomerates will sound familiar even today: American Can, American Telephone & Telegraph (now better known as AT&T), American Tobacco, DuPont, General Electric, General Motors, Standard Oil and International Harvester. In 1901, United States Steel Corp. (now USX Corp.) became the largest corporation in the world by consolidating most of the existing steel companies in the United States, controlling about 75 percent of the country's steel output — not exactly what Senator John Sherman had in mind. It wasn't the first time, nor would it be the last, that well-intended legislation

backfired. Of course, not every corporation that formed as a result of the Sherman Antitrust Act is still operating, but clearly lawmakers' efforts to protect the public provided the catalyst to create some of the world's largest corporations.

Large corporations thrived in America during most of the 20th century, aided significantly by the devastation of other countries during both World Wars. Ultimately, American companies became synonymous with American lifestyle and values (remember the "baseball, apple pie and Chevrolet" jingle?). In 1925, President Calvin Coolidge said, "After all, the chief business of the American people is business." (His statement is usually misquoted as: "The business of America is business.")

During hearings before the Committee on Armed Services in 1953, Charles E. Wilson, the former president of General Motors who was about to become secretary of defense, said, "For years I thought what was good for our country was good for General Motors, and vice versa. The difference did not exist." (This statement is often misquoted as: "What's good for General Motors is good for the country.")

Setting aside our penchant for inaccurate quotations — the altered versions do, after all, have a bit more pizzazz — the spirit is apparent: We define ourselves largely by our income-producing structures and the extent to which those structures allow us to exercise personal responsibility.

### **The small-business answer**

The issue of personal responsibility was ignored by the corporate structure that developed in the first two-thirds of the 20th century. Production was high, markets were strong and workers at all levels were plentiful, loyal, dedicated — and apparently willing to accept a paternalistic employer. The government was busy developing socialist policies "for the good of the people," giving away more and more. When it could no longer afford to pay for programs, lawmakers created legislation to force business to absorb the slack. The people didn't have to do anything but take. But just as economics played in the colonies' decision to declare independence from England, economics is now influencing major changes in America's business structure.

Top-down, multilayered hierarchies no longer work. In fact, we don't believe they ever really worked; they survived because two World Wars limited competition from other countries. They are awkward, clumsy and do not provide atmospheres conducive to maximizing productivity and fully developing human

resources. But until the economic recoveries of Europe and Japan introduced us to an unfamiliar level of international competition, we didn't realize our corporate structure was really a burdensome dinosaur.

It is this recognition that is fueling the explosive growth and enormous vitality of the small-business sector. Within small businesses, both for owners and employees, is the opportunity to satisfy the inborn basic need of asserting personal responsibility. In an attempt to capitalize on this fact, some large corporations have flattened out their organizational charts and developed relatively autonomous "intrapreneurial" units within their operations.

The problem is that the people exercising any significant amount of personal responsibility represent a small minority of our population. Far greater numbers of people say the right things but don't follow up with action. Seminars on productivity, managing the worker of tomorrow, quality, entrepreneurship and dealing with social issues are packed with eager listeners. Books on the same topics are abundant. With all of this knowledge available, we should live in a utopia.

But we don't.

For people who have never really experienced the idea of personal responsibility, who grew up in the post-New Deal days of generous government provisions (and equally generous taxes), dependence is a habit that will be difficult to break. It's much easier to let someone else worry about a problem, to believe that one individual is totally insignificant and therefore doesn't need to attempt anything, than it is to take charge and take action.

Even so, the atmosphere of small business (whether an actual small business or a division of a larger entity) provides fertile ground for the growth of personal responsibility. Both business owners and employees, corporate managers and line workers can build mutually supportive relationships based on results rather than entitlements. All that's really needed is a sensitivity to the needs of the company and the individuals who drive it — a sensitivity that comes naturally with the acceptance of responsibility.

### **Responsibility will help another American business problem**

Just as our politicians rarely seem to be able to look beyond the next election, so do many of our business leaders appear unable to see beyond the next quarterly report. The root of this problem is based in the fact that the men and

women who run our major corporations do not own them; the companies are actually owned by hundreds or thousands of faceless individual stockholders and investment groups. Since a significant percentage of all stock purchases are held for less than six months, those legal owners of corporate America are transient investors with no sustained interest in the fortunes of the companies named on their stock certificates.<sup>2</sup> What is important to them is the movement of the stock, not the profitability of the business, because it is the former that determines how much money they will make. In the American financial markets, selfishness has replaced responsibility. The quest for immediate profits without regard for the future governs most decisions.

Very often executive compensation is tied to current corporate profitability, which appears to make sense until you consider situations where short-term profits need to be sacrificed for long-term gain. When executives and managers at all levels are evaluated and rewarded based on monthly, quarterly or annual profitability, they will naturally focus on short-term cost reduction rather than long-term technological competitiveness.

This attitude forces publicly held companies to look for immediately profitable, low-risk business, which seriously reduces participation in areas where the research, development and production processes are lengthy and technologically complex. Consequently, American-based companies more likely to attempt to bolster profits through financial restructuring rather than product innovation. (In the film *Pretty Woman*, as Vivian tried to understand what Edward did for a living, she said, “You don’t make anything, and you don’t build anything. What do you do with the companies once you buy them?” When Edward explained that he broke his acquisitions up into pieces and sold them, Vivian observed, “So it’s sort of like stealing cars and selling off the parts, right?”)

These companies typically shy away from market segments with low near-term profit margins, even though there may be high growth potential. Steven J. Ross, chairman and co-CEO of Time Warner, Inc., said:

The American financial community has a serious problem with [the long term]. It cannot comprehend a venture that may not increase its profits in one quarter or that may even earn a lesser profit than in the previous quarter, regardless of the reason. It’s unfortunate but true that the American financial community is locked into short-term, quarterly earnings progressions. This focus does not allow for

<sup>2</sup> Andrew Hacker, *The End of the American Era* (New York: Atheneum, 1970) 40.

long-term objectives, and it must change if American companies are going to successfully pursue global strategies.

*The Wall Street Journal* quoted the American president of Material Research as saying that after Sony bought the company he finally felt free to pursue long-term research: "I'm no longer concerned with quarterly profits. I can think of projects that take two years. It's a wonderful way to live."

When Genentech, America's largest biotechnology company, was sold to Switzerland's Roche Holdings Ltd., its president said, "We have so much we want to do. The quarterly pressures of the stock market, though real and understandable, inevitably inhibit the brain trust here on this 30 acres."<sup>3</sup>

For evidence of the economic damage this concentration on short-term gains is causing, one only has to look at the wide range of consumer and business electronics Americans purchase from Japan. Japanese firms are obviously willing to enter new markets with long-term results in mind, and the philosophy has worked well for them. They establish their foothold when production costs are high and profits are low; when costs decline and profits increase, they are firmly entrenched in the market.

But in addition to the sacrifice of near-term profits, such policies usually entail higher risks to shareholders. Americans like get-rich-quick schemes with a large degree of certainty — not long-term gambles.

Further proof of the American preference toward short-term profits is evidenced by the amount of money put into capital investment and non-defense research and development. The United States has consistently fallen behind Japan and West Germany in both areas.

But the problem appears to be largely confined within the borders of the United States. According to the National Science Foundation, between 1986 and 1987 American-owned corporations increased their overseas spending on research and development by 33 percent, yet the increase in the United States was only 6 percent.<sup>4</sup> It's an interesting paradox that though the United States still leads the world in the quality and results produced by our research — in spite of the fact that we are willing to devote fewer dollars to such work — we lag behind foreign competitors in the commercial exploitation of inventions and discoveries. This goes back to our shortsightedness: Companies are reluctant to invest in the

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<sup>3</sup> Reich 151.

<sup>4</sup> Reich 123.

necessary R&D and personnel training to maintain market shares and at the same time develop new ideas; it's too risky and the payoff is too long-term.

In their eternal quest for the quick buck (let's define that as quality results), too many large companies have forgotten how to invent. They buy and sell other businesses and copy other products, but they don't develop products that are truly better than what's on the market now. This goes beyond large-scale, high-tech development projects to products used every day by most people, like hair dryers and coffeepots. With few exceptions, large companies are more concerned with playing a game of "me-too" with other large companies. They lack a sense of innovation, and they don't seem to be particularly concerned with the needs and desires of the buying public.

Such was the case when Mickey Schulhof, vice chairman of Sony USA in the 1970s, helped develop the idea of compact discs. Music industry executives were more interested in protecting their investment in long-playing record technology than they were in developing a market for a new product with superior sound quality. Records and tapes had a proven track record, millions of people owned the playing equipment, and there was no apparent reason to risk any money on a new technology.

Fortunately, Schulhof had the wherewithal and determination to find another route to bring CDs to the public; he introduced them to top musicians. The recording stars' enthusiasm prompted industry execs to re-examine the idea — and the rest is extremely profitable history. Though this is an ultimate success story, it is also a vivid demonstration of the attitudes that inhibit creativity by focusing on the short-term. It also makes you wonder how many other worthwhile products have never made it to the marketplace because companies preferred to minimize their risks.

### **The decline of economic self-esteem**

The gradual abdication of personal responsibility has led to a diminished sense of national economic self-esteem. We have attempted to cover this up with bravado, gimmicks and slogans, but the real consequences are serious: a decline in global position and domestic productivity.

Americans must accept the reality of their individual contribution to overall U.S. economic strength, along with the benefits and responsibilities that accompany that strength. A primary method for accomplishing that lies with developing a greater enthusiasm for participating in the world marketplace.

We've heard about the coming global village for years, but too many Americans have opted to ignore these forecasts. Instead, they've chosen to remain locked into parochial attitudes, doing nothing, knowing in their minds that we can never go back, but convinced in their hearts that somehow things will turn out all right — someone, somewhere, will take care of it.

Common sense exposes the flaws in their reasoning.

Following World War II, we enjoyed a tremendous domestic market. Americans had endured years of deprivation; they had money, wanted to spend it and were willing to buy just about anything the factories produced. Other nations were also a tremendous source of profits as war-torn countries turned to the United States for both consumer necessities and the raw materials needed to rebuild their factories and infrastructures. We were happy to sell goods to them, but we never bothered to learn how to market to them.

In the 25 years following World War II, American companies were, for all practical purposes, the only players on the field. When other countries started sending in their own teams, the game shifted to one we didn't know how to play.

Americans now have less discretionary income than in recent history, while consumers in other countries have increased their purchasing power. And having recovered from the war, other countries are introducing new ideas and producing products — which means more competition for so-called American goods. No business can automatically assume a market, whether domestic or international; they must develop plans that will create a desire for their goods in various specifically targeted markets.

The growing economies of other countries should not be seen as a threat to American stability and profitability; quite the contrary, Europe and Asia have provided the United States and other countries with a new and expanding market for a variety of products. Since the United States makes up a mere 5 percent of the world's population, it's a narrow-minded company indeed that does not look outward for additional customers. The key is in developing, producing and marketing products these consumers will buy — and the problem is that true global competition is a new experience for most American business leaders.

### **Putting an end to isolationism**

When a Japan-based company comes to America, it hires American marketing consultants and American advertising and public relations agencies to develop an understanding of what will sell in the United States and the best methods for

achieving their sales goals. In other words, they market in America by American standards.

American-based businesses must do the same in Europe, Asia and any other foreign market they target. It's foolish to ship a few containers of clothing, or tools, or appliances and expect those items to sell themselves; indeed, we don't expect this, but we're still not properly devoting ourselves to learning the dynamics of overseas markets. Companies that compete successfully on a global level must develop a more acute sense of global market sophistication.

But as the markets of other countries expand in purchasing power and become lucrative opportunities, many Americans find themselves at a disadvantage: We simply do not have the understanding of foreign cultures necessary to conduct business in those environments, we often don't speak other languages and we all too frequently operate on the assumption that the American way is the only way — or at least the best way. Andrew Hacker writes, "Our geographic isolation, our internal homogeneity, and our conviction of moral superiority ill-equip us to comprehend what motivates people unlike ourselves."<sup>5</sup>

This superior and isolationist perspective has been an economic handicap that has steadily worsened since the end of the Vietnam War, and has only recently shown signs of reversing itself. The United States has not experienced the maximum benefit from operating fully in an international market, and because too many Americans tend not to be aggressive international players, our awareness of what foreign competitors are doing in terms of product development and technological innovation has been limited.

In chapter one, we discussed the general characteristics of countries on the ascent and in decline. Ascending countries enjoy a strong momentum propelling economic development outward; declining countries withdraw from world trade and disdain learning and understanding other cultures.

This is where the doomsayers developed their forecasts of America in decline. During the 1970s and for a large portion of the '80s we were in a state of withdrawal. We were like an insecure child faced with unfamiliar players who appeared to be more skilled: We took our marbles and went home — and were promptly invaded by foreign competitors who were outflanking us initially on every front. It didn't take long for us to realize that our self-imposed isolation wasn't going to protect us from competition. We have gathered up our marbles and some

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<sup>5</sup> Hacker 222.

other toys, and headed out to play again, willing — even if not adequately prepared — to meet and compete with new players on both neutral and their own turfs.

### **Do corporations hold citizenship papers?**

Much is made in the media of foreigners — especially the Japanese — “buying up America.” That plenty of foreigners invest in the United States is certainly true, but we are in no danger of becoming a Japanese territory. In fact, the U.S. trade deficit with Japan is less than 1 percent of the nation’s \$5.7 trillion economy — and not much more than our deficit with China.<sup>6</sup>

Europeans have five times the stake in U.S. plants and equipment that the Japanese have. From 1978 to 1987, Britain bought nearly seven times the number of U.S. businesses that Japan did, and Canada more than four times as many.<sup>7</sup>

We must also remember that during the 1970s, the tremendous amount of Arab money invested in American real estate received a great deal of media attention — similar to the play Japan gets today. The Arabs haven’t sold off those assets, but we’re not concerned anymore about becoming an Arab state. No matter who owns a given building in Los Angeles or New York or Dayton, that building isn’t going anywhere; it’s going to stay right here in the United States and provide us with offices or warehouses or whatever.

The motives of investors should also be considered: They invest their money to make more money (it’s a rare investor that does otherwise). The typical foreign investor is looking for long-term gain and growth, as opposed to the average American investor who seeks to make a quick profit on the short swing in the stock market. Certainly it can be interpreted as a sign of strength that so many foreign investors find the United States an attractive place to put their money — and they couldn’t buy American-based assets if the present owners were not putting those assets up for sale.

We must also remember that there is more to a company than land, buildings and equipment. There are employees, customers and the company’s reputation. A foreign investor — or anyone, for that matter — can never own employees, customers and reputation. They can maintain employees so long as those workers are treated fairly and compensated appropriately. Customers will stay so long as

<sup>6</sup> *U.S. News & World Report*, March 2, 1992, 18.

<sup>7</sup> John Naisbett, *Megatrends 2000* (New York: William Morrow & Co., 1990) 37.

product quality and prices remain competitive. And reputations hinge on overall corporate behavior.

If a foreign investor buys all or part of an American company, it is in their own best interest to maintain and enhance the organization. That means American jobs that pay wages spent in the community. It means capital investment, also good for the local economy.

The reality is that investing in a foreign business is not like buying a pair of shoes that you take home. Land can't be moved. Even manufacturing businesses have a tremendous intangible value that any wise investor is interested in protecting.

And though foreign-based corporations are buying some of our popular entertainment companies, they are not about to attempt to replace our culture with their own. Rather, they will make money by selling American culture to other places. When it comes to television and film rights, we sell an estimated 25 times more than we buy.<sup>8</sup> People in other countries want to see American movies, and they want to watch American television shows, and they will spend money to do it. It makes sense that foreign investors will attempt to capitalize on that.

Particularly in the case of publicly owned companies, the nationality of ownership has become an irrelevant concept. At any point, the stock can be sold to someone of a different nationality without changing the fundamental identity of the company. That Ford now owns Jaguar has not changed our perception that Jaguar is a British-based luxury automobile manufacturer. (In this context, we have chosen not to address corporate nationality with regard to private companies because there are relatively few large, economically powerful, multinational corporations that are privately owned.)

In addition, though some countries have a nasty habit of nationalizing foreign investments, such is not the case in the United States. Instead, says author Ben J. Wattenberg, we nationalize the investors. He writes, "Foreigners put their money here. Then they come over here to oversee their investments, or send their sons, or their managers, to do it. Then the investors, or their sons, or their managers, or the wives thereof, become entranced with the barbarian Yankee customs. And some of them settle here... Historically, no one buys up America. Investors usually only sink in."<sup>9</sup>

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<sup>8</sup> Ben J. Wattenberg, *The First Universal Nation* (New York: The Free Press, 1991) 211.

<sup>9</sup> Wattenberg 385.

At the same time, plenty of U.S. investors are putting their money in other countries. In 1989, U.S. investments abroad were \$373.4 billion.<sup>10</sup> Since the United States has been shopping in foreign countries for a long time, the worth of those investments is likely to be significantly understated, because they are generally carried on the books at their original cost instead of current market value.

What should be a cause for concern is not that foreign investors are attracted to the United States, but that our investment rate abroad is lagging behind. Between 1980 and 1989, direct foreign investment in the United States rose by 483 percent to over \$400 billion. By contrast, the U.S. investment position abroad increased by only 173 percent.<sup>11</sup>

The primary cause behind this shifting foreign investment ratio is that Americans are not saving and investing their money at the same rate as other nations. The importance of individual savings rates is both clear and simple. These funds can be used for capital lending and investment, benefiting the economic order by being readily available. When money is placed in a deposit account to earn interest, the institution can lend it out at a higher rate of interest, giving borrowers needed cash. The amount of interest charged covers the monies due the depositors and pays the operating costs of the institution. When people choose to save by purchasing investment vehicles such as stock, the company involved gets to use that money freely without having to go through the loan process. Either way, when savings rates are low, so are the funds for capital expansion, research and development, and infrastructure maintenance. Companies are forced to either make do, and in the process become less competitive, or seek foreign investment dollars.

This is *our* problem, not Japan's or England's or Australia's, and the solution is not in restricting foreign investment in the United States, but in working to balance the foreign investment ratio by encouraging savings and investing domestically.

### **Becoming citizens of the world**

We are seeing the emergence of a true global economy, one in which the nationality of a company no longer matters. Customers make decisions based on quality, price, service and convenience — not on whether the company is American, British, Australian or Japanese. Even more to the point is that determining a company's nationality is becoming increasingly difficult.

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<sup>10</sup> Statistical Abstract, 1991, Table 1395.

<sup>11</sup> Statistical Abstract, 1991, Tables 1390 and 1395.

During the days of slavery in the United States, a person could be declared black if their biological makeup included a very small fraction of that race. Today we accept the irrationality and unfairness of such arbitrary determinations. So how does one decide the nationality of a company? Is it their primary domicile, where most of their physical assets are located? Is it where most of their employees are? Or where most of their customers are? Is it where their corporate offices are, or where they pay the largest portions of their taxes?

If one must assign a nationality to a company, the most likely method to use would be to consider their primary shareholder base and/or management base. The U.S. government considers companies to be “American” if they are incorporated here, without any real thought to who is making what or where.

Many companies resist being assigned a national label at all. Gilbert Williamson, president of NCR, once said, “I was asked the other day about United States competitiveness and I replied that I don’t think about it at all. We at NCR think of ourselves as a globally competitive company that happens to be headquartered in the United States.” Of course, while that is certainly true today, it’s also true that few other countries in the world have an environment conducive to the growth and accomplishments NCR has achieved.

The American democratic system promoting capitalism and free enterprise can rightfully take a large portion of the credit for the advent of the global economy. And the benefits reach far beyond profits and the particular businesses involved: There is a greater sharing of ideas and technology; a greater cooperation in dealing with global problems such as the environment, healthcare and education; and, perhaps most important, nations rarely go to war against their economic allies.

### **Do products hold citizenship papers?**

If it’s difficult to determine the nationality of a company, it has become virtually impossible to do so with products. Products can be designed in one country, financed in another, assembled in a third out of materials obtained from a fourth and then distributed anywhere else in the world. And at any given point, the geography of the process can shift, depending on the price and availability of labor and components. So which country should claim the product?

The baseball used in Saturday’s game probably is made of a leather pelt from a Scandinavian country and a cork center from the United States, both of which were shipped to Haiti, where the ball was assembled. Is it American, Scandinavian or Haitian?

Many so-called American cars are made of parts assembled in South Korea and advanced components such as engines, transaxles and electronics from Japan. At what point do they stop being an American car?

In 1990, Ford Motor Company thought the ideal point was one based on profits. The EPA requires that every automaker's fleet of "American-made" cars meet a certain average fuel economy. Foreign cars made or imported by the firm must meet the same standard when their ratings are averaged together. In an effort to encourage American automakers to retain small-car production in the United States, the EPA did not allow the automakers to average their small, fuel-efficient imports with the American gas guzzlers. But those larger, fuel-hungry cars are more profitable; so in 1989, Ford increased the foreign-made parts in the fuel-inefficient Mercury Marquise and LTD Crown Victoria models just enough to qualify them as "foreign-made." Now those cars' mileage ratings are averaged with high-mileage Ford imports, not the smaller, less-profitable high-mileage cars Ford makes in the United States. Robert Reich calls this move "a talent for regulatory innovation-as-circumvention" and writes, "Ford's clever costume change did not serve the cause of energy conservation, but it did save the company a heap of money."<sup>12</sup> It's likely that a good many owners of these particular Ford models congratulate themselves for "buying American."

And speaking of buying American, the three largest importers of cars into the United States aren't Nissan, Honda and Mitsubishi — they are General Motors (837,387 vehicles in 1990), Ford (752,172) and Toyota (513,299). Chrysler was fourth, importing 493,881 vehicles. Ford Escorts and Mercury Tracers are made in Mexico (ever hear anyone sing the praises of a Mexican car?), Mitsubishi Eclipses are made in Illinois, Dodge Colts are made in Japan, Nissans in Tennessee and Hondas in Ohio. *Orlando Sentinel* columnist Charley Reese observed, "There are no American car companies anymore. There are only international car companies."<sup>13</sup>

What about agricultural products? In Japan, cattle are raised almost entirely on grain from America.<sup>14</sup> Is the beef from those cattle Japanese or American? Landscape architects in Britain are using trees and shrubs grown in Florida with increasing regularity. But their finished product is not the greenery; it is a

<sup>12</sup> Reich 117.

<sup>13</sup> "Japan-bashing is just a smokescreen for America's true villains," *Orlando Sentinel*, Feb. 22, 1992.

<sup>14</sup> Ohmae 140.

commercial or residential building that incorporates horticulture in its design — and a part of that design comes from America.

The general world standard for defining a product's nationality is that 51 percent of the product's value — including materials and labor — should come from one country. But what happens when so many countries are involved that there is no clear majority input? Or when there is disagreement as to the value of intangibles such as design and assembly? Does it matter that a company is based in one country and owned by foreign nationals?

The regulations on what constitutes “American-made” are lengthy and ever-changing, and the bureaucrats and diplomats are likely to be wrangling with it for years to come.

To an increasing number of consumers, a product's nationality makes little or no difference when compared with the issues of quality and price. In a global economy, that's how it should be. In discussing tariffs and other restrictions on international trade in his *Wealth of Nations*, Adam Smith wrote:

What is prudence in the conduct of every private family, can scarce be folly in that of a great kingdom. If a foreign country can supply us with a commodity cheaper than we ourselves can make it, better buy it of them with some part of the produce of our own industry, employed in a way in which we have some advantage... In every country, it always is and must be the interest of the great body of the people to buy whatever they want of those who sell it cheapest. The proposition is so very manifest, that it seems ridiculous to take any pains to prove it; nor could it ever have been called in question, had not the interest sophistry of merchants and manufacturers confounded the common sense of mankind. Their interest is, in this respect, directly opposite to that of the great body of the people.<sup>15</sup>

More and more, product nationality has become a marketing issue. Today Japan stands for quality; Germany for durability. It is only in recent years that American-made products are beginning to recapture their reputation for excellence. Smart manufacturers are less concerned with product nationality than they are with consumer preferences. It's a mistake to assume that what sells briskly in the United States will sell equally as well in Europe or Japan.

Nissan, for example, examines each market's dominant requirements and then designs a “lead-country” model which is carefully tailored to meet the dominant

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<sup>15</sup> Adam Smith, *The Wealth of Nations*, vol. 1, 422 and 458.

and distinct needs of individual national markets. According to Nissan's president, Yutaka Kume:

With this kind of thinking, we have been able to halve the number of basic models needed to cover the global markets and, at the same time, to cover 80 percent of our sales with cars designed for specific national markets... We told our engineers to "be American," "be European," or "be Japanese." If the Japanese happened to like something we tailored for the American market, so much the better. Low-cost, incremental sales never hurt. Our main challenge, however, was to avoid the trap of pleasing no one well by trying to please everyone halfway.<sup>16</sup>

### **On the home front: what's happened to productivity?**

Productivity plays an important role in any vigorous economy; it must not only be high, but should be steadily increasing. Unfortunately, that is not the case in the United States today. The decline in productivity growth can be attributed in part to the failure of American-based industries to adapt to new conditions and respond positively to change. We cannot afford to blame foreign competition, do nothing to change and simply believe that things will eventually work out.

More importantly, we must not allow ourselves to be locked into organizational structures and social attitudes that are no longer workable or effective. Human beings in general have a tremendous capacity for flexibility and adaptability that has been demonstrated repeatedly over the course of history. Since American industries are run by human beings, it's safe to suggest that relatively immediate changes are both necessary and possible to reverse the productivity decline.

Another factor affecting the slowing of productivity growth is the popularity of short-term perspectives we discussed earlier. Why worry about being personally productive when you're likely to be working elsewhere next year? Why concern yourself with efficiency and the long-term good of the company if your compensation raises are based on annual cost-of-living increases totally unrelated to profit?

The way to assure productivity is to pay based on productivity, forcing workers to accept responsibility for their performance. It would be ideal if companies could evaluate the percentage of profit an individual's wages have been over a given period (perhaps the previous three years), and suggest that future income would be based on the same percent of profit the wages now represent. The problem is,

<sup>16</sup> Ohmae 22 – 23.

most American workers would be absolutely horrified by such a proposal. They have come to expect annual wage increases at least equal to, if not higher than, the cost of living, regardless of the company's profitability or of the individual's own contribution to that status.

Though the decline in workplace productivity is affected by a variety of issues, a primary one is attitude. Business leaders have been paying lip service to the value of teamwork for years, but their efforts are wasted as long as employee promotions, wage increases and other rewards are not based on a combination of individual and team performance, along with bottom-line profitability. Not only is there no incentive to form teams, there is a very definite incentive to "look out for number one" rather than work for the overall good of the company.

Whether a company chooses to emphasize teamwork, individual efforts or a combination of the two, productivity must be rewarded if it is to continue to increase — and the only way to effectively do that is to blend compensation with productivity and the individual or team contribution to profitability.

Along this same thought trend is the issue of loyalty, which is a two-way street. Companies that expect loyalty from their workers must themselves be loyal to employees. This is demonstrated by open lines of communication that flow in multiple directions and by treating employees with respect and consideration, regardless of their status or position.

Unfortunately, a common circumstance that inhibits maximum results (more prevalent in large corporations than in smaller companies) is a class-consciousness that permeates most U.S. corporate structures.

Japanese politician Shintaro Ishihara has observed this about American executives: "[F]ast-track members of the corporate elite will not even type a letter or do secretarial tasks for themselves. To go into the factory and get dirty and sweaty learning how products are made is beneath them... Highly trained U.S. top management do not ask blue-collar personnel for suggestions about how to improve factory operation."<sup>17</sup>

Yet is there a better place to go for solutions to operational problems than the people who are working and coping with those problems? When corporate leaders perpetuate a caste system every bit as rigid as those we scorn in other cultures, they are building a self-defeating environment that results in lost productivity and reduced profitability.

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<sup>17</sup> Shintaro Ishihara, *The Japan That Can Say No* (New York: Simon & Schuster, 1991) 81.

## **The issue of domestic competition**

Beyond the internal operations of specific companies is the issue of competition and cooperation in given industries. Competing firms are not likely to cooperate with each other — first, because we view the competition as the enemy, always out to get us and certainly not to be trusted; and second, because of the issue of antitrust regulations. During the 1980s, more than one major trucking company discouraged employee participation in transportation-related professional organizations for fear casual conversations between their own representatives and those of other carriers might be construed as antitrust violations.

Of course, the fact is that companies serving the same market niche are competing with each other for the same customer dollars, but cooperation can be encouraged without damaging competition. Professional associations already exist to serve and protect the common interests of specific industry groups. It is not unrealistic to expect that existing associations can be expanded into, for example, research cooperatives where investment and return is shared equally among participants.

Another business segment that would be well-served by cooperative efforts is that of niche marketers. Since niche marketers tend to be small businesses or, of late, clearly defined divisions of large companies, cooperation in the form of licensing agreements or other “piggyback” arrangements gives them a collective strength and a greater profitability more commonly associated with large corporations.

But mutual support should not be limited to business-to-business relationships. We need acceptable, legal cooperative efforts between and among business and government entities. Such collaborations at a variety of levels can promote productivity, maximize the benefits of technology and strengthen our position in the world marketplace. It is also a major step toward international cooperation and the reaping of full benefits from the global economy.

## **Redefining the American dream**

Somewhere along the way we began confusing the American Dream of individual freedom, liberty and self-realization with our personal financial status and the overall state of the national economy. We need to redefine our concept of the American Dream and bring it back in line with the visions of our Founding Fathers. That means understanding that economics is a separate — though

connected — issue and that business is not the dream itself, but rather a vehicle which allows us to pursue the dream.

There has been no period in our history when business has been a more exciting and challenging vehicle. The global economy is forcing change — change which is, for the most part, positive. American business leaders can no longer afford to be lock-stepped into a rigid, nine-to-five structure, or any other pattern that exists just because “it’s always been done that way.” Flexibility, productivity, multicultural understanding and — most importantly — responsibility are the watchwords of the '90s, and the essentials for 21st-century strength.

CHAPTER 4

**Surviving but Stressed, the Family  
Remains the Backbone of America**



*“Americans are desperate to find answers  
that will help them juggle all the roles and chores  
modern life has laid upon them.”*

Congresswoman Pat Schroeder in *Champion of  
the Great American Family*



*“It takes a whole village to raise a child.”*

*African Proverb*

It's impossible to paint a portrait of America without including our most important institution: the family. We at one time saw that image as a father, mother, 2.5 children, a dog, a house in the suburbs and two cars.

The reality, of course, is that our ideal vision of family is more fantasy than fact. Daily we read headlines warning of the deterioration of the American family. The illegitimacy rate is skyrocketing, the number of single heads-of-household is on the rise, and easy divorce and remarriage have made a hodgepodge of the family structure. In fact, only 4 percent of America's 65 million families fit the stereotypical model of employed father, homemaking mother and two children. In a Gallup poll conducted in 1989, 49 percent of the respondents thought the American family was worse off than it was 10 years ago; only 39 percent thought it was better — a sad state, indeed, for the institution that is the foundation for our lives.

But is the American family really dying? Perhaps a more accurate view is that it is changing. Though television programs like *Ozzie and Harriet* and *Father Knows Best* may represent our idealized vision of what family should be, that family model with its strict gender roles only existed with any significant dominance for less than two decades. Despite reruns of *Leave It to Beaver*, today the real-life families that resemble the Cleavers are a shrinking minority.

It is not necessary to view this development with regret or with the belief that it bodes dire consequences for America. Rather, we should appreciate the wide diversity of family forms that have evolved over the past two centuries. And in spite of that evolution, the family has maintained many of its original functions: It produces and socializes children; acts as a unit of economic cooperation; gives us significant roles as children, spouses and parents; and provides a source of intimacy. In other words, the family teaches us how to operate in society. It is here that the seeds of lifelong attitudes and behaviors are sown.

America's families are facing unprecedented levels of stress as they attempt to cope with the radical social and technological changes of our society. Rapidly changing lifestyle needs and expectations are creating problems for which the family is unable to quickly assimilate solutions. When this happens, the family unit — once seen as a support system — breaks down and its members are cast adrift, creating a ripple effect of consequences: decline of moral standards, deterioration of educational achievements, increase in crime and a societally diffused variety of other negatives.

## **The family's evolution**

The American families approaching the 21st century bear little resemblance to the American families of 200 years ago. Even so, changing family forms do not signify the end of the family as an institution, but instead are evidence of the family's wonderful resiliency and adaptability.

In Colonial America, the family organization was patriarchal. The husband and father possessed property rights over wife and children; the correct wifely attitude was one of love and obedience, the correct filial attitude one of fear and obedience. The family was the primary unit for producing most goods and caring for the needs of its members, and each member contributed as they were best able. Generally the men worked in the fields, plowing, planting and harvesting the crops, while the women specialized in tasks that could be done while caring for small children. If a couple plied a trade, it was done jointly, in or near their home — the early version of today's "Mom and Pop" businesses. They both contributed to the family income and they shared responsibility for child rearing. As soon as youngsters were old enough, they were assigned chores appropriate to their abilities and learned the skills that would be necessary later in life.

It wasn't until the Industrial Revolution that men routinely went off to work in a distant place and left the women at home to mind the hearth, care for the children and trust their husband's economic decisions. While the women's movement is often blamed for the shifting family structures of the 20th century, the Industrial Revolution caused dramatic changes by creating a father who was no longer a full-time member of the household. Fathers and sons lost the sense of bonding that came with sharing labor on a daily basis. Factory jobs were not handed down the way a farm was, and many of those jobs were not easy to explain to youngsters. Rather than being at the core of the family unit, the father became somewhat removed from it.

This was our first glimpse of the modern family — what we think of as the traditional family of working father and homemaking mother. Industrialization resulted in a shift by families away from being an interdependent production unit to a consumer- and service-oriented unit. But the families who fit this model even in the second half of the 19th century and the first half of the 20th were primarily white and middle-class; generally blacks and new immigrants could not afford to have only one wage earner in the family.

As we entered the 20th century, middle-class families were dramatically different than their colonial counterparts. Food and goods were commercially produced and purchased, public schools educated the children and formal organizations that would ultimately remove responsibility from the family for a number of functions began to emerge. An increasing number of public agencies and hospitals were created to care for the poor, aged and infirm. With fewer practical and material considerations, the primary focus of the family centered strongly on meeting the emotional needs of its members. Around the turn of the century, the rates of working women and divorce began climbing.

World War II drove women into the workforce in record numbers, but the end of the war drove them back home again as companies rehired returning soldiers. Many sociologists believe the decade of the '50s, when a high percentage of families lived within traditional gender and marital roles, was a backlash from the fear and deprivation of the war years.

But the sense of security created by the predominantly “cookie-cutter” society of that decade gave way to boredom, isolation and a general dissatisfaction. Women were unwilling to accept the status quo.

When Betty Friedan attacked the traditionalist assumption that women found their greatest fulfillment in being mothers and housewives in her 1963 book, *The Feminine Mystique*, she caused a national sensation. In 1947, only 20 percent of all women who were married and living with their spouses were in the labor force; by 1988, over 56 percent of married women worked outside the home.<sup>1</sup> This is not a temporary increase in the participation of women in the labor force, as occurred during the war years; women are never going back home.

Working women are a primary cause of the changing family structure, but it was their families that sent them to work. In 1960, 27.6 percent of married women with children under 18 were employed; by 1970, that figure rose to 39.7 percent; by 1988, it had climbed to 65 percent.<sup>2</sup>

Instead of keeping women at home, children were the expense that drove women to earn. In the majority of two-earner households, the husband's wages typically went for the basics: food, shelter and clothing. It was her money that bought the extras, paid for a variety of lessons and funded college educations. And during the economic turbulence of the '70s, working wives were the saving

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<sup>1</sup> Bureau of Labor Statistics.

<sup>2</sup> Bureau of Labor Statistics.

grace of many families whose husbands found themselves unemployed. When the economy stabilized and we entered the decade of the '80s, it became clear that, for most people, a two-earner family had become necessary to maintain a desirable standard of living.

### **The American family structure — a wide variety to choose from**

Today the term “the American family” is long on definition and short on role models. The Census Bureau accepts as family “two or more persons related by birth, marriage or adoption who reside in the same household.” Ogden Nash said a family is “a unit composed not only of children, but of men, women, an occasional animal and the common cold.” Felix Adler called it “the miniature commonwealth upon whose integrity the safety of the larger commonwealth depends.” On the final episode of *The Mary Tyler Moore Show*, Mary Richards defined family as “just people who make you feel less alone, and really loved.”

The children in modern families face as much diversity as the parents: One-third of the youngsters born in the last decade are likely to live in a stepfamily before they turn 18; today, out of every four children, one is being raised by a single parent. From 1950 to 1979, the divorce rate doubled, and it is estimated that half of all first marriages made today will end in divorce. And though 70 percent of those who divorce will remarry, six out of 10 of second marriages are expected to collapse.

These discomfiting predictions do not mean we have come to devalue marriage. In fact, it could be argued that it means we value marriage highly: If a marriage does not meet our needs, we will try again in the hope that a second, or even third, marriage will fulfill our expectations. There is evidence, too, that we are working harder at preserving marriages, since the divorce rate peaked in 1979 and began a gradual decline in the 1980s. One common thought is that with the sobering specter of AIDS threatening our society, this trend will continue even more strongly in the '90s.

Some studies have shown that marital happiness is actually higher now than a few decades ago, when divorces were significantly less common, probably because it is easier than ever to get out of an unhappy marriage. So we continue to marry and remarry; we continue to have children; and we continue to form relationships and alliances that we identify as our families.

Clearly the American family is alive and well, but the family structure has changed and altered to meet the needs of the economy: from agricultural to industrial to distribution to information and service, from rural to urban to suburban and back. And within that structure are people — spouses, parents, children — who are struggling to find their place in our society during this time of economic and technological upheaval.

Today's family units are vastly different from what they were just 30 years ago. The most common family units in contemporary America are married couples without children, intact two-parent families with children, stepfamilies and single-parent (divorced, widowed or never-married) families. In addition, homosexual couples and unmarried heterosexual couples (with and without children) and grandparents raising grandchildren are all part of the family scene.

**Household Composition 1970 – 1990 (Percent)**

	<b>1970</b>	<b>1980</b>	<b>1990</b>
Married couples with children*	40.3	30.9	26.3
Married couples without children*	30.3	29.9	29.8
Other families with children*	5.0	7.5	8.3
Other families without children*	5.6	5.4	6.5
Men living alone	5.6	8.6	9.7
Women living alone	11.5	14.0	14.9
Other nonfamily household	1.7	3.6	4.6
Number of households (millions)	63	81	93

(Source: U.S. Department of Commerce, Bureau of the Census, *Household and Family Characteristics: March 1990 and 1989*, Figure 1.)

The rapid change in what constitutes a family has left many young people living with weakened support systems at a time when those support systems are more important than ever. While studies on working mothers show conflicting results — some suggest detrimental effects and others indicate no harm to the children — what is clear is that a youngster's home environment will have a direct correlation to moral standards, behavioral problems and academic achievement.

It is incorrect to assume that a family which fits the traditional structure is happy and that nontraditional families are not. Many intact nuclear families may engage in small-scale nuclear warfare, their ideal exterior structures hiding extensive conflict, alcoholism, incest, abuse and hatred. By contrast, what we consider nontraditional families may provide a more emotionally stable and healthy environment.

The solution is not to insist that every family conform to the traditional nuclear mold — indeed, that would be unrealistic and impossible — but for society to make the necessary adjustments to support other family forms. There is no such thing as “the good old days” and we must stop clinging to an emotional ideal that probably wasn’t especially ideal even when it was popular. We should no longer think of homes headed by divorced parents as “broken,” of people who live together without being married as “immoral,” of homosexual relationships as “perverse,” of childless marriages as “selfish” and large families as “irresponsible,” and of people who remain single as “immature.” With broader societal support, the stress on these family units would be greatly reduced, their self-esteem raised and their overall effectiveness enhanced.

### **Contemporary challenges for contemporary families**

Though technology has made the mechanics of our lives easier, today’s families face a complex set of challenges arising from a rapidly changing social and economic landscape — and those challenges are threatening the very foundation of our society. They include the practical issues of child care, extended adolescence and elder care, along with the personal issues that revolve around changing social mores. Accompanying all of these points are the corresponding public costs generated by families in crisis.

**Child care.** In 1960, 19 percent of mothers with children under 6 and 39 percent of mothers with children between 6 and 17 were in the workforce; by 1988, those numbers had risen to nearly 70 percent of mothers with children under 6 and 81 percent with children between 6 and 17. It was during that period that the phrase “quality time” became popular; since employed mothers were not able to spend as much time with their children as full-time homemakers, the thought was to make the most of what time they had.

Because women have traditionally held the role of caregiver to the children, child care has been commonly viewed as a women’s issue. In fact, it is a family issue with the potential for broad societal ramifications if it is not properly

addressed. As politicians, sociologists and business leaders expound on the issue, the question remains: While the mothers are working, who is watching the kids?

Today's working mother has a variety of daycare options, but most are expensive, the quality is often questionable and availability varies. To further complicate the matter, many women are not guaranteed employment after a pregnancy leave. Our social and economic infrastructure simply does not support the dual-earner family.

An increasing number of children face empty homes every day after school. Particularly for older children, this in itself may not necessarily be bad; most children develop their own activities agenda and may not be particularly concerned with whether or not a parent is present.

In her book *The Two Paycheck Marriage*, Caroline Bird quotes Lillian Carter, mother of former President Jimmy Carter, as saying, "A child is better off not to have the mother every minute of the time. Children who cling to their mothers — they grow up being babies, and I think it is good for mother and child to be separated most of the day." During Carter's formative years, his mother worked long days as a private-duty nurse. A study presented to the American Psychological Association indicated children of working mothers scored higher on IQ tests, had better communication skills, scored higher in math and reading, and were more self-reliant than children whose mothers did not work.<sup>3</sup>

The argument of whether the children of employed mothers are better or worse off than children of mothers who do not work outside the house continues. But there is no argument that young children need adult supervision to direct their social and intellectual development, and too many American children are not getting that supervision in adequate doses.

Daycare for children with working parents is one of the most heart-wrenching problems our society must deal with. By virtue of the fact that they cannot do it for themselves, children are entitled to have a safe, intellectually stimulating and morally sound environment provided for them by adults. Repeat: by adults, *not* by the government.

Traditionally in the United States, the market will deliver what adults who have money want to buy. Daycare is no different than any other service commodity. That's why commercial daycare centers are popping up on nearly every corner.

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<sup>3</sup> Wattenberg 84.

And home-based daycare is an excellent opportunity for people who enjoy caring for children to start a business.

That some children have been abused in daycare centers is a nightmare of indescribable proportions, but that is a societal problem best handled by members of society. The only meaningful role government has played, and should play, is in the prosecution of offenders. Government control of commercial daycare centers should be limited to regular business licensing and periodic physical safety inspections. It is the parents' responsibility to provide a safe haven for their children and to stay attuned to their offspring so they can sense if something is amiss.

Of course, the problem of cost must be addressed. This is where the government can help by providing incentives to employers to incorporate child care as a benefit option for working parents. But the government should not be in the daycare business. Indeed, if the sad state of our public school system is an indication of how efficiently the government would run a daycare program, no sane parent would choose such an option.

**Extended adolescence.** There was a time when having children was an economic benefit to families, but those days are gone. Today children are a luxury, and an increasing number of parents are finding their financial obligations continuing long after they expected them to end. One reason is that, overall, young Americans today are far less mature than their ancestors were just a century ago. They have their own culture, their own money, their own music. They are staying in school longer, but not necessarily learning more. They are dawdling on their career paths and delaying marriage. Parents who expected their offspring to move out of the family dwelling in their late teens are finding those children still at home until they are well into their twenties.

Some writers make a strong case claiming that America's youth are largely selfish and self-absorbed, that they see no reason to make the transition to emotional adulthood, which implies character development, competence and commitment. Others argue that many responsible young adults are struggling to achieve independence in an era of rising costs and employers that demand higher educational achievements. The reality is probably a combination of the two views.

If economics is a primary cause of children living at home longer, a lack of financial management skills will make it even harder for them when they do go out on their own.

*Orlando Sentinel* columnist Dick Marlowe says the reason Americans save less than citizens of most other industrialized countries is that our young people are not learning much about handling money. “Workers have lost their understanding of the relationship between how much they earn in an hour and the cost of things,” Marlowe writes. “A child who is given a bicycle, it seems, ought to know how many hours a worker would have to flip hamburgers to pay for it... Psychologists are... confirming that young adults spend everything they get their hands on because they don’t know better.”

Parents who have tried to create a better life for their children than they had themselves have succeeded instead in producing a generation that learned to consume better than they did themselves. And though the majority of high-school seniors work, their jobs are not especially stimulating and few save a significant portion of their earnings for college or other long-range purposes. They are not learning the value of meaningful work, thrift, responsibility and delaying desires. Historian Maris Vinovskis says, “The irony is that we have the best group of educated parents in history doing the least for their own kids.”

**Elder care.** As today’s baby boomers are dealing with their own youngsters, they are also having to deal with their aging parents. Elderly parents, often in ill health, are placing tremendous emotional and financial burdens on their adult children, and as life expectancies continue to lengthen, this problem will continue to increase. Though the elderly have traditionally been cared for within the family unit, today’s changing family structures and longer life spans make the proposition more challenging. People in their 80s and 90s today may be looking to offspring in their 60s for care — care those “children” may not be physically or financially equipped to provide.

We must begin dealing with this issue now, and the solution is complexly intertwined with our educational system and the workforce of the future. We need the trained people in place to provide the services that will be demanded by our ever-aging population. Beyond that is the critical need for personal economic planning so the elderly can enjoy a variety of lifestyle choices made available through financial independence without being a burden on their families or the taxpayers.

## **The loosening bonds between marriage and motherhood**

Since more than one-fifth of American children are born to unmarried parents, it’s obvious that marriage has long since ceased being a societal prerequisite for

parenthood. It is not our intention to take a moral stand on the issue of illegitimacy, but to examine the institutional implications and societal repercussions of specific behaviors associated with the family as it exists today.

The United States has one of the highest teen pregnancy rates in the Western world — twice as high as England, France and Canada, three times as high as Sweden and seven times as high as the Dutch rate. More than one million American teenagers become pregnant every year; half of those pregnancies result in live births; the other half are terminated by abortion or miscarriage. Nearly one in five teenagers who experience a premarital pregnancy will get pregnant again within a year.<sup>4</sup> Of the more than 20 percent of illegitimate children born in America, 40 percent are to teenagers. And American taxpayers spend an estimated \$16.6 billion each year to support the children of teenage parents.<sup>5</sup>

Though contraceptive use among teenagers is rising, an estimated 80 percent of teen pregnancies are unintended. Too many teens are woefully uneducated on sexuality and pregnancy prevention, in spite of research which shows that sex education either has no influence on when a youngster becomes sexually active, or delays that activity. Studies have shown that the family usually has the strongest influence on all aspects of a teenager's behavior, including when sexual activity begins.

Teens who do become sexually active and use birth control devices experience a higher rate of contraceptive failure than older women, probably due to a combination of ignorance and carelessness about proper use. And though the data on the subject is limited, we suspect lack of accessibility is a primary reason young people either use no contraception or use less reliable methods. It remains to be seen how the increasing availability of condoms, promoted primarily for their use in the prevention of AIDS and other sexually transmitted diseases, will affect the teen pregnancy rate.

Unintended pregnancies represent only part of the story. Writer Leon Dash offers an interesting perspective on deliberate teen pregnancies. In an article for *Society* magazine, he quoted a Washington, D.C., high school student as saying, "Girls... know about birth control. [They]... get pregnant because they want to

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<sup>4</sup> "Sexual and Reproductive Behavior Among U.S. Teens," Planned Parenthood Federation of America Fact Sheet, Feb. 1991.

<sup>5</sup> *The Unfinished Agenda: A New Vision for Child Development and Education*, a statement by the Research and Policy Committee for the Committee for Economic Development, 1991.

have babies. When girls get pregnant, it's either because they want something to hold onto that they can call their own, or because of the circumstances inside their home. Their mother does not pamper them the way they want to be pampered, or they really don't have anyone to go to or talk to or call their own." A boy interviewed in the same article equated fatherhood with masculinity and feeling "like a man."

Though the number of scientific surveys in this area is limited, our research indicates that it is often youngsters in lower socioeconomic classes who have low self-esteem and are from dysfunctional families who look to having a baby as a way to gain unconditional love from at least one person, or do not understand the full responsibility of parenthood.

There is also a control or possession factor: Some young peer groups see babies as status symbols and parenthood as an accomplishment in itself rather than a lifetime responsibility.

Race appears to play a role in the issue of illegitimacy. In 1970, the rate of illegitimate births among whites was 5.7 percent; among blacks it was 37.6 percent. By 1987, the ratio for whites had increased to 16.7 percent; for blacks, it was 62.2 percent.

Regardless of whether or not the pregnancy was intended, the consequences of early childbearing are serious, and they begin almost from the time of conception. An average of 33 percent of women under age 20 who give birth receive inadequate prenatal care, which often results in health complications for both the mother and child.

Teenage mothers are at greater risk of socioeconomic disadvantage throughout their lives than those who delay childbearing until their twenties. These younger mothers are generally less educated, have larger families and have higher levels of nonmarital, unintended births. They are disproportionately poor and dependent on public assistance for economic support. The children of teenage mothers are at greater risk of lower intellectual and academic achievement, social behavior problems and problems of self-control than are children of older mothers.<sup>6</sup> What's worse, these children will likely repeat their parents' pattern of youthful childbearing, perpetuating a cycle of poverty and ignorance.

One often-heard suggestion is that unmarried teenage mothers should release their babies for adoption. But it goes against every basic American principle to

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<sup>6</sup> "Sexual and Reproductive Behavior Among U.S. Teens."

attempt to force such action, and the reality is that more than nine out of 10 teens who give birth choose to keep their babies, though they are rarely emotionally or financially prepared for parenthood. The real solution is to reduce the rate of teen pregnancies, and that will only be accomplished through strengthening the family unit, education and availability of contraception. No one individual can make moral decisions for another, but we can give our youngsters adequate, complete information and a framework within which to base those decisions.

We must also provide our youngsters with positive role models. Rock music has been blamed for everything from premarital sex to drug use to teen suicide, but in reality, according to Dr. Thomas Plaut of the National Institute of Mental Health, popular lyrics play a very small role in influencing the behavior of youngsters. The primary locations for learning values and moral standards are the home and the school, and today's children are confused by and rebelling against a "do as I say, not as I do" attitude from parents and teachers.

### **The message from role models**

When adults direct their efforts to "beating the system" and getting away with as much as they possibly can — using radar detectors to avoid speeding tickets, cheating on their income tax, bringing office supplies home for personal use and so on — youngsters can only be expected to follow the example they see. One high-school principal said, "If we suspend a student, a lot of parents look for ways to get around the suspension. They don't spend time on the issue of what the child did wrong and how to correct the situation."

Another alarming trend reported by teachers is the lack of remorse many students feel about having done something wrong. As Rhett said to Scarlett in *Gone with the Wind*, they are like the thief who is not sorry he stole, but who is very sorry he got caught and is going to jail.

The fact is, we have a serious shortage of family role models. Though many politicians present the image of successful family lives, our inherent distrust of them limits the positive potential of their influence. When we hear of a scandal involving the personal life of an elected or appointed official, we can't help but wonder how many we don't hear about because they didn't get caught. Political wives like Betty Ford and Kitty Dukakis have been admirably open about their alcohol and substance abuse problems, but we hardly want our children to plan to grow up to be alcoholics.

We decry adolescent sex and look for ways to encourage teens to wait until they are at least older, if not married, before becoming sexually active, but the behavior of many divorced and never-married parents sends a conflicting message. Teens are justified in wondering why *they* shouldn't have sex outside marriage when the adults in their households are doing just that, very often with sleepover guests who stay for breakfast but don't always return.

We must allow teenagers graduating degrees of freedom so they can learn to make their own decisions as they move toward adulthood, yet we still must give them parameters within which to live. If this is a challenge for trained psychologists, it can be an overwhelming goal for parents.

### **Strengthening the family**

Contemporary economic conditions have created a need for two-earner households, but rather than allowing our families to respond to the economy, we need to create an economy that is responsive to the needs of our families. Since it's unlikely that the presence of women in the workforce will ever decline, American business needs to get more involved in family issues. But that involvement should not be parental in nature; it should be in a spirit of partnership between employer and employee to develop programs that will result in maximum productivity and job satisfaction.

Gone are the days when workers were expected to leave their personal lives at home. Savvy employers are taking a strong interest in their employees as individuals and creating programs to meet their needs, such as flex-time, cafeteria-style benefit packages and child care. Small businesses can co-op with other small businesses to form an economic base for providing daycare, elder care, insurance, work-site schools and other benefits.

Businesses can contribute to the skills of tomorrow's workforce by providing challenging jobs for young people (high-school students) which would give them an alternative to working in fast-food restaurants. Such jobs will stimulate their interest in the business world and help them develop their natural abilities. To promote this end, government can waive minimum wage requirements for workers under 18 or 21, giving employers additional economic flexibility when dealing with teenagers.

Politicians and business leaders need to become more comfortable and aggressive with family issues. We need to discard the notion that these are not powerful issues. Grappling with child care may not have the same glitter as

attending an embassy dinner or negotiating a million-dollar deal, but it is far more crucial to the future of America.

We have the resources to take care of our families, and we can do it without raising taxes or creating additional government programs. The solution lies within the private sector, with only slight assistance from government in the form of incentives.

A growing number of businesses are already seeing the wisdom in developing family-oriented policies and programs due to the forces involved in the changing demographics of the workforce. This pattern can be accelerated with the establishment of tax breaks for companies willing to go beyond the traditional employer role in meeting the personal needs of workers in a variety of creative ways. Our government can afford the reduction in revenue; studies have proven that money invested now in families will be saved many times over in the future by reducing the number of people requiring public assistance.

Discussing the recommendations of the National Commission on Children, John D. Rockefeller IV said, “[W]e recommend that government and all private sector employers establish family-oriented policies and practices, including family and medical leave, flexible scheduling, and career sequencing. That’s good business, it’s good public policy, and it’s good parenting.” It’s also responsible.

We need to unleash the innovative power of the private sector, and that cannot be done with mandates, regulations and other forms of government interference. American business has proven it can respond quickly and efficiently when given the proper incentive, and the incentive in this case is a significantly more productive workforce, which means higher revenue and lower taxes, which totals up to increased profits.

This is not blind faith in the private sector, but rather blind faith in the basic human instinct to operate in one’s own self-interest. And it is in the self-interest of any business employee to care — and care deeply — about the status of the American family.

### **Respecting the family**

As the primary source for molding the minds and behaviors of the children who will grow up to lead our country, the family deserves and requires a higher level of societal respect than it currently receives. We must work to develop a strong sense of self-esteem in all of our citizens, but particularly our children. Both research and common sense tell us that people who have a positive self-image

are less likely to abuse drugs and alcohol, commit crimes or indulge in other forms of self-destructive behavior that are contributing to the moral erosion in our country today. One by-product of teaching self-esteem in schools (which we discuss in chapter five) is that it will likely reduce the number of teen pregnancies, since girls will learn they do not have to engage in sex or have babies to prove their own value.

We must also redevelop and nurture the extended family, the neighborhoods and communities in which we live that supplement our own households. In today's insulated society, people can live next door to one another for years and never even introduce themselves. We must redefine our social landscape to one that is based on shared concerns and common goals by reaching out through volunteer networks of friends and neighbors that include both adults and children. These networks will not be replicas of those of earlier generations, but rather associations that revel in the wonderful diversity that is America while fostering individual freedom and responsibility within a framework of group obligation.

As a society, we need to understand and accept the changing family structure. We need to let go of the fantasy of the traditional nuclear family and accept reality by embracing the variety of structures that actually make the family a more viable institution.

One place to start is within our educational system. As a society, we have long recognized the need for universal education, but parents cannot totally delegate the training of their children to schools. Families must reaccept the responsibility of this critical task, and work in tandem with teachers and administrators to again make education a primary function of the family. If part of that education is a respect for the family as an institution, and a respect for the values family units represent, then we have created a circle that will spiral positively, wonderfully upward.

But when families are in crisis, children bring those problems to school, and their ability to learn and grow into contributing members of society is severely impaired.

Unfortunately, this is just one problem facing our educational system today.

CHAPTER 5

**The American Education System —  
Irretrievably Broken or Just Slightly Damaged?**



*“Education, then, beyond all other devices of human origin, is the great equalizer of the conditions of men — the balance-wheel of the social machinery.”*

*Horace Mann, 12th annual report to the  
Massachusetts State Board of Education, 1848.*

There was a time when the United States set the world standard for educational excellence. Today the inadequacies of our education system make regular headlines.

When the National Endowment for the Humanities funded a survey in 1986, they found more than two-thirds of the nation's 17-year-olds were unable to date the Civil War within the correct half-century. A similar number could not identify the Reformation or Magna Carta, and an appalling majority was unfamiliar with writers such as Dante, Chaucer, Whitman and Melville.

In an October 1988 *ABC News* Special, high-school students from middle-class schools didn't know who was running for president or which side won the American Civil War.<sup>1</sup> The Gallup Organization conducted a survey in 1989 and discovered one out of four college seniors unable to distinguish Churchill's worlds from Stalin's, or Karl Marx's thoughts from the ideas of the U.S. Constitution. More than half failed to understand the purpose of the Emancipation Proclamation or *The Federalist Papers*.<sup>2</sup>

Students are approaching college graduation with serious gaps in knowledge, unable to date Columbus' journey within the correct half-century (about 25 percent), unable to link major works by Plato, Dante, Shakespeare and Milton with their authors (more than 50 percent).<sup>3</sup>

The problem is not only that students aren't paying attention to what is being taught, but that such topics are not always a part of their curricula. It is possible to graduate from 45 percent of the nation's colleges and universities without studying American or English literature; 38 percent of our colleges and universities allow students to graduate without studying history; mathematics can be avoided at 41 percent; and natural and physical sciences can be avoided at 33 percent.<sup>4</sup> How can we expect to be a global leader if the majority of our population knows little about their own country and even less about the rest of the world?

Though it may be argued that the ability to memorize literary passages and historical dates is not particularly significant, the ability to communicate orally and in writing and to perform basic mathematical functions is. According to former

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<sup>1</sup> "Burning Questions: America's Kids: Why They Flunk," *ABC News*, Oct. 3, 1988.

<sup>2</sup> Lynne V. Cheney, "Tyrannical Machines: A Report on Educational Practices Gone Wrong and Our Best Hopes for Setting Them Right," National Endowment for the Humanities, Washington, DC, 1990, 1 – 2.

<sup>3</sup> Cheney 32.

<sup>4</sup> Cheney 32 – 33.

Secretary of Education Lauro F. Cavazos, there are 27 million functionally illiterate adults in the United States; 28 percent of students drop out of high school (there is some conflict on the accuracy of this figure since experts disagree on the method of calculating dropout statistics); SAT (Scholastic Aptitude Test) and ACT (American College Testing) scores have declined or remained static for years; and U.S. students score appallingly in math and science when compared to their peers in other industrialized nations.

When the Educational Testing Service compared the math proficiency of 13-year-olds in five countries, U.S. students ranked dead-last behind Korea, Spain, the United Kingdom and Ireland.<sup>5</sup> In Japan, teenagers who have finished the 12th grade have the equivalent of three to four more years of school than U.S. high-school graduates.<sup>6</sup> In America, it is estimated that one out of three of today's fourth-graders will not graduate from high school; of those who do, five out of six will be unable to calculate anything beyond the simplest arithmetic, or to write a letter, or to follow anything beyond the simplest instructions.<sup>7</sup>

Obviously, our schools are failing at their basic task: educating our young people so they can become productive members of society, whether or not their futures include post-secondary schooling.

Students are not learning the fundamentals of reading, writing and arithmetic. It is distressing that a teenager ordering her high-school graduation announcements had to ask the printer to check the information she provided, because she wasn't sure she had spelled "community" correctly.<sup>8</sup> Yet students are being regularly advanced into higher grades and ultimately graduating from both high school and college without the most rudimentary of skills.

Rather than promote based on academic achievement, many teachers pass unprepared students on to the next grade for "social" reasons, where they continue their poor performance. One can almost understand the teachers' motivation: Overcrowded classrooms make the individual attention underachievers need difficult, if not impossible. A teacher who fails a student may

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<sup>5</sup> Nuventures Consultants, Inc., *America's Changing Workforce: About You, Your Job, and Your Changing Work Environment* (LaJolla, CA: Nuventures Publishing, 1990) 13.

<sup>6</sup> *U.S. News & World Report*, Jan. 19, 1987.

<sup>7</sup> "Learning in America: Schools That work," PBS telecast, narrated by Roger Mudd, 1990.

<sup>8</sup> A situation we witnessed in Orlando, FL, Jan. 1992.

well have to teach that same youngster again the next year; when underachievers are advanced to the next grade, they become someone else's problem — academia's way of passing the buck. William Brock, Secretary of Labor in the Reagan Administration, estimated that 700,000 high school graduates "get diplomas each year and cannot read them."<sup>9</sup> The message the youngsters receive is that effort and achievement are not related to promotions, and responsibility is not a necessary requirement for rewards.

It's hardly an admirable code by which to live.

Beyond academics, schools are failing on another front: basic life skills. Few learning institutions offer such courses as active listening, conflict resolution, developing self-esteem, social responsibility, personal budgeting, financial management or other courses dealing with personal or applied business.

"We are graduating a generation that knows less and less," says Vassar sociology professor James Farganis.<sup>10</sup> Governor Booth Gardner of Washington said, "We still have an education system in which teachers, parents and students are at the bottom of a hierarchy instead of at the center of a learning community. And we still structure our schools on the contradictory assumptions that all children learn in the same way, and that some children will inevitably fail."<sup>11</sup>

It's shameful but true that when birth rates were rising, society as a whole didn't feel a significant impact when some children failed. A few decades ago, there were ample jobs for unskilled and low-skilled workers. William J. Banach, executive director of the Institute for Future Studies at Macomb Community College, observed, "The industrial era required workers who were obedient, could handle routine work, didn't have to think too much and understood the importance of being on time... [T]he schools... stressed discipline, drill and practice, not questioning your elders and being in your seat 'by the time the bell rings.' Our schools produced the workforce industrial America demanded."<sup>12</sup>

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<sup>9</sup> Sylvia Ann Hewlett, *When the Bough Breaks: The Cost of Neglecting Our Children* (Basic Books, 1991) 66.

<sup>10</sup> Cheney 32.

<sup>11</sup> Booth Gardner, "Educational Change: The Needs of the Children," an address delivered before the Education Commission for the States, Seattle, 1990.

<sup>12</sup> William J. Banach, Executive Director, The Institute for Future Studies, Macomb Community College, speaking to the Association of Wisconsin school administrators, Milwaukee, WI, Oct. 25, 1990. "Are You Too Busy to Think? Change Comes from the Questions We Ask."

But changing demographics and technological advances have given an added dimension to the importance of education; we simply can no longer afford to lose any of our children to ignorance. The mission of our educational system — to provide an education for all — is more critical than ever before; the method must be redefined to meet the changing requirements of our society as well as the evolving needs of our children and their families.

Over 25 percent of the people in the United States are students or employed by schools and colleges. We have over 15,500 public school districts, with more than 82,000 regular public schools teaching 40,024,000 students — but these students aren't learning what they must know to take us successfully into the 21st century.

What is wrong with the American education system? Six different experts will give you six different answers, and the reform that worked in one school will fail in another. It's a complicated problem which can't be solved by political rhetoric; simply throwing more money at the schools won't do much good, either. We need to first understand the underlying causes of the system's failings, and then develop a long-term vision and commitment to setting things right.

## **Curriculum**

The real test of any educational idea is its usefulness. Most of our school systems are still preparing young people for the 1950s, not the 21st century. Even if they could, it is no longer sufficient for students to be able to rattle off dates and places of historical events, or name the parts of a plant, or memorize multiplication tables without understanding the fundamental relationship of numbers. As technology advances at mind-boggling speed, we must continually be adjusting our curricula to meet the needs of our changing society.

## **The increasing importance of math and science**

How long has it been since we have questioned the value of learning long division, when calculators can process any equation we might give a high-school student — and do it faster and more accurately? The traditional answer has been that learning long division is a mental exercise that is “good for” youngsters. But in this age of notebook computers and pocket calculators, the actual process of solving a mathematical problem is less important than what goes on in the student's mind when a question is posed. The purpose of problems is to get students to *think*, not to just plug numbers into a formula. Tell a student to multiply 485 by 25 and then reduce the product by 20 percent; let him use a calculator,

and he'll have an accurate, if meaningless, answer in very short order. But tell him that if his after-school job pays \$4.85 an hour and he works 25 hours a week and has 20 percent of his wages withheld for taxes, the numerical answer is the same, and the ultimate answer is much more significant — regardless of how he arrives at it.

The exercise of long division has outlived its usefulness, but an understanding of mathematics is essential to functioning as an informed citizen today. Math helps us make sense of the world and is an essential base for computer science. Taught with the aim of generating thought processes, math loses much of its power to terrify and baffle students and becomes a practical daily tool.

If the approach to math needs revising, the approach to science needs some serious expanding. Simply put, too little time is devoted to science. It is estimated that our elementary schools teach significantly less science as schools in other advanced countries. Kindergarten through third-grade teachers average less than 20 minutes a day on science, and many third-graders receive no science instruction at all.<sup>13</sup>

It doesn't get much better as the youngsters get older. American high-school students get an average of two and a half years of science, and only one out of five takes physics. In the former Soviet Union, students took six years of biology, five years of physics and four years of chemistry.<sup>14</sup> (How, if at all, the education system in the new Soviet Commonwealth will change remains to be seen.)

Not only are American students not spending enough time on science, but what time they are spending is not well organized. And there is little, if any, integration of science and mathematics — a serious shortcoming since math is the language of science. What's more, mathematics courses tend to be repetitive from year to year, and do not routinely include subjects such as geometry, probability and statistics, which are necessary disciplines for life in a high-tech world.

Our curricula need to be redesigned with additional emphasis on math and science and coordinated to avoid repetition. Youngsters should learn in elementary school that science is not just another subject; it is the answer to many of the mysteries of our world. Elementary-school teachers may need additional

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<sup>13</sup> Lauro E. Cavazos, former Secretary of Education, "The Huge Problem in American Schools: Science and Mathematics Education," an address delivered before the Council of Scientific Society Presidents, Washington, DC, 1988.

<sup>14</sup> Cavazos.

training to accomplish this, but it is a critical investment. Lessons should be light on facts, which are constantly changing in science, and concentrate on principles and scientific thought processes. Classes need to include a generous amount of hands-on experiments, projects and field trips. Also, school systems should reach out to the community for knowledgeable speakers in the various sciences who are willing to spend a few hours periodically explaining technical topics to students.

### **The need for basic arts education**

Children don't arrive at school believing they can't sing or dance or draw — it's a lesson they learn. Rather than promoting creativity, too many elementary schools contain it by forcing conformity in arts projects. ("No, Johnny, that's not how you draw a cow." "Grass is not purple.") As children grow older, the emphasis is on performance, and only those considered talented are encouraged to take arts classes.

When the arts are not a solid part of a student's curriculum, he or she misses out on a tremendous source of pleasure, personal satisfaction and overall life enrichment. In addition, an understanding of various art forms produces critical thinkers — and critical thinking is a needed ability in short supply today. What's more, author and anthropologist Mary Catherine Bateson suggests that "watching children's creativity without criticizing and without imposing adult standards may even give adults new resilience in meeting life's challenges."

Art education is much more than crayons, construction paper and paint. American art tells our history in a way no traditional textbook ever could, because American arts and music are a rich blend of many cultures and reflect the times of their creation. The same is true of art from around the world and through our entire existence on earth.

Arts help children understand that achievements come at any age, that many famous figures were late bloomers who didn't know what they wanted to do when they were young. Music is a wonderful form of storytelling, and the art of composing requires an understanding of basic arithmetic. The arts are part of the soul of our humanity; without them, we are consigned to much duller lives.

### **Educating for a shrinking world**

Though it's true that English is widely accepted as the international language, Americans can no longer afford the luxury of cultural isolation. Only about 5 percent of U.S. elementary-school children study a foreign language, and, as

we write, not one state requires a language course for all high-school students. A need to compete in the world is prompting a gradual change in our nonchalant attitude toward foreign languages.

For language classes to be truly effective, we must shift our emphasis from repetitious verb drills and grammatical analysis to stressing proficiency — that is, what the student can do in the language. After all, since few of us who speak English as a native language speak it perfectly (although another positive aspect of foreign language study is that it improves one’s native language competence), we shouldn’t expect students to never make a grammatical error in French or Spanish. What we should expect, and even demand, is that they have the ability to function verbally in those languages. As our nation struggles to compete in the international marketplace, it’s interesting to note that Japan has more *teachers* of English than the United States has *students* of Japanese.

In addition to languages, our young people must study other cultures if they are to be prepared to live and work in a global economy. Former Virginia Governor Gerald Baliles insists, “International education must be an integral part of the education of students of every age.” Courses should examine market customs, tastes, legal systems, regulation and government structures. The study of another culture is an educationally enriching experience made even more so when it is combined with language. In fact, studying a language is a natural introduction to another culture, since students of the French language, for example, will exercise and be required to expand their skills by reading French literature, and through that literature, learn more about France. The same process applies to any language and the land in which it is spoken.

Begun at an early age, such studies will eventually eliminate the cultural and attitudinal isolationism which currently inhibits our ability to compete in the world market.

### **What students really need to know**

Beyond the need for changes in specific subject matter is the need for a clear understanding of the difference between substantive and procedural subjects. Schools must impart a certain amount of data to students but, more importantly, they must teach students *how to learn*. Most students will remember from the time it is taught until the exam that the Boston Massacre was a clash between British troops and townspeople in Boston in 1770 where five colonists were killed — and then they will forget it. In truth, it doesn’t really matter that most Americans today

don't remember that Crispus Attucks was a mulatto sailor killed in that incident; what is important is that we remember the motivations, principles and intentions of early Americans as they struggled for liberty. The details of the Boston Massacre are simply the building blocks of greater knowledge. If that piece of history is properly taught, students will not only absorb a piece of our rich heritage, but they will learn some important ideas on human interaction and perhaps the practical skill of how to use an encyclopedia or a computer data file.

Indeed, there is more information out there than we could ever expect one single mind to retain. What is critical is that students learn how to learn — how to read and research, and then assimilate the information into their current circumstances.

Schoolwork at all levels should be relevant to the real world. An excellent example is the Micro Society School in Lowell, Mass., which brings the real world into the classroom every day. At this school, students spend four hours every morning learning basic skills in traditional classes. Each afternoon they run their own grassroots, democratic, free-market society. They have “jobs” and earn “money” they use to pay tuition and taxes. They run businesses, manufacture products and provide services, and have their own government. Discipline problems are usually handled by the student-run court system, making justice and responsibility tangible instead of abstract concepts. The grasp these students have on life as it will be when they graduate is built on both academic ideas and real-world practice.

In Largo, Fla., fifth-graders get a hands-on learning experience about the American free enterprise system at Enterprise Village, a shopping center run entirely by 10- and 11-year-olds. The kids buy, sell, make loans, compute interest, pay bills and salaries, and even place ads for their businesses. And the stores they run are the same names they see in their communities — companies like Blockbuster Video and Barnett Bank that have contributed \$50,000 to the project for the rights to set up a storefront. Everyone is winning: The kids gain valuable experience, and the companies enjoy positive exposure.

We must continually be watching for and considering methods to incorporate real-life skills into school curricula at all levels — it is the only way students will be adequately prepared for the lives they will live after their formal education is completed.

## More on life skills

The most important life skill anyone can learn is that of self-esteem. When combined with other interpersonal skills such as problem-resolution abilities, communication skills and self-confidence, a solid sense of self-worth is the foundation for a productive society.

The California Task Force to Promote Self-Esteem and Personal and Social Responsibility defines self-esteem as “appreciating my own worth and importance and having the character to be accountable for myself and to act responsibly toward others.” The task force reports that self-esteem “may well be the unifying concept to reframe American problem solving,” and found schools that “deliberately nurture self-esteem have recorded impressive results in academics as well as in social and personal responsibility.”

Certainly the problems of crime, violence and substance abuse are too complex to be traced to any one source, but it is evident that low self-esteem plays a dominate role. The task force report *Toward a State of Esteem* says, “Self-esteem is the likeliest candidate for a *social vaccine*, something that empowers us to live responsibly and that inoculates us against the lures of crime, violence, substance abuse, teen pregnancy, child abuse, chronic welfare dependency, and educational failure. The lack of self-esteem is central to most personal and social ills plaguing our state and nation as we approach the end of the 20th century.”

One of the report’s key recommendations was that every school district in California adopt the promotion of self-esteem and of personal and social responsibility as a clearly stated goal, and integrate that into its total curriculum. This does not mean that a class on self-esteem should be added to students’ daily agendas, but rather that the policies and procedures of the entire educational system will reflect the intrinsic value of staff, faculty and students, and create an atmosphere of mutual respect, esteem and cooperation.

The mechanics of self-esteem (appreciating one’s own self-worth, accepting responsibility for one’s own behavior and respecting the esteem of others) can be incorporated into a basic life-skills curriculum. Those classes, beginning in preschool and continuing through high school, should include age-appropriate lessons on getting along with others, problem solving, nonviolent conflict-resolution, active listening, understanding prejudice, developing and maintaining good character, goal setting and goal achievement, coping with failure, handling peer pressure, parenting skills, leadership, time and money management, stress management, leadership and other essential life skills.

Kids need to learn such techniques as creative self-talk to counter the negative messages they get all day. It's one way to put such messages into perspective, to understand them and maintain a positive self-image in spite of them.

In the area of self-esteem, what parents and teachers think of a particular child is not important: What counts is what that child thinks of himself. That's why gold stars and compliments from adults don't make much difference. Certainly they can help, but what is essential is teaching youngsters the skills to deal with both external and internal attacks on their self-image.

Another way to boost self-esteem is to help youngsters feel that they are in control of the learning process and that they know where to go for help when they need it. Course work in self-esteem should be a requirement for teaching credentials and part of the in-service training for all educators.

A further word on nonviolent conflict-resolution: Youngsters, especially little boys, too often see fighting as the only way to settle a disagreement. That we have not found an effective vehicle for teaching them otherwise is apparent in the variety of statistics that indicate American men are the most violent of the industrialized world. Sessions on nonviolent conflict-resolution integrated into elementary-school curricula will provide children with an alternative to violence at an age when they can easily and naturally incorporate these tools into their lives.

Along with these very important life skills is the issue of values. Traditionally, values have been taught through the family and religion, but these institutions are not doing an adequate job — not when only 13 percent of Americans believe in all Ten Commandments, lying has become an integral part of the American culture and a shocking 36 million Americans are willing to consider murdering someone for money.<sup>15</sup>

It's important to distinguish between religious philosophies and societal standards. The concept of separation of church and state is valid and necessary, and we oppose the imposition of specific religions in publicly funded schools (not to be confused with the academic study of the history of various religions, or the impact of religion on historical events). It is possible, however, to teach values without involving religion — possible *and* essential to the future of our society.

“Have we not learned a thing or two over the past several thousand years of civilization?” asked Christina Hoff Sommers, a writer, lecturer and associate

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<sup>15</sup> James Patterson and Peter Kim, *The Day America Told the Truth* (New York: Prentice Hall Press, 1991) 6, 7 and 65.

professor of philosophy at Clark University in Massachusetts. “To pretend we know nothing about basic decency, about human rights, about vice and virtue, is fatuous or disingenuous. Of course we know that gratuitous cruelty and political repression are wrong, that kindness and political freedom are right and good. Why should we be the first society in history that finds itself hamstrung in the vital task of passing along its moral tradition to the next generation?”<sup>16</sup>

For example, as a society we accept that stealing is wrong, but it’s evident that many of us steal anyway. Some are not at all concerned with the moral implications, others manage to justify their actions (“It’s not really stealing; they owe it to me.”) and still others believe what they are doing is wrong, but decide for a variety of reasons to do it anyway. America’s crime rate would be reduced if we had a broader individual commitment to the value that stealing is wrong.

Whether the value is learned on a religious basis or a societal basis is immaterial; the basic value is the same, and the child who learns it at an early age is less likely to become a thief.

In the mid-19th century, libertarian John Stuart Mill discussed the responsibilities of parents in his essay “On Liberty.” He wrote, “To bring a child into existence without a fair prospect of being able, not only to provide food for its body, but instruction and training for its mind, is a moral crime, both against the unfortunate offspring and against society...”

Sommers believes virtue can be taught, and offers three steps for doing so:

1. Schools should have behavior codes that emphasize civility, kindness and honesty.
2. Teachers should not be accused of brainwashing children when they insist on basic civility, decency, honesty and fairness.
3. Children should be told stories that reinforce goodness. In high school and college, students should be reading, studying and discussing the moral classics.<sup>17</sup>

Not every American child attends church, but virtually all of them attend school, which makes school an ideal place to teach basic values, such as responsibility, honesty, integrity, self-discipline and cooperation. But we can’t assign this task to

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<sup>16</sup> Christina Hoff Sommers, “Teaching the Virtues,” published in *Imprimis*, the journal of Hillsdale College, Nov. 1991.

<sup>17</sup> Sommers.

the schools and forget about it. Value education must be supported, continued and reinforced by the family and the church. It is this training beyond the classroom that gives life and strength to moral and religious codes.

### **On sex education**

One of the most controversial aspects of education in general is sex education specifically. Educators say teens have pressing concerns about such subjects as contraception, abortion, masturbation and homosexuality, yet these topics are often considered taboo by schools. A major reason is that some parents believe when the school teaches about such topics as contraception, it is undermining the authority of the family that may prefer to promote abstinence, or in other ways is contradicting the preferences of parents.

The primary problem with sex education in the schools is that few parents, teachers and administrators can agree on exactly what a “comprehensive” sex education course should cover, or in what grades the various aspects of sex education should be taught. Yet, as we live under the dark cloud of rising teenage pregnancy rates and sexually transmitted diseases ranging from easily cured to deadly, it is clear that a consensus must be reached.

Not only do our young people have a right to be educated about their own bodies and sexuality, they have a right to know health-related information that could save their lives. Young people must understand the critical need for responsible sexual behavior. That means lessons on reproduction and contraception should be combined with lessons on sexual responsibility, family values, self-respect and respect for others.

According to a 1987 report issued by the National Research Council, there is a connection between teens’ sexual activity and their perception of their lives and their future. The more positive their vision of the future, the more likely they were to behave in a sexually responsible manner.<sup>18</sup> We can build on this natural tendency by incorporating a comprehensive human sexuality program into an overall positive education experience. This will provide youngsters with the knowledge they need to understand their bodies and the confidence they need to make responsible decisions.

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<sup>18</sup> Pat Schroeder, *Champion of the Great American Family* (New York: Random House, 1989) 37.

## **Instruction methods**

Youngsters are naturally curious, as any parent who has dealt with a lively toddler perpetually asking “Why?” can attest. Teachers must be prepared to capitalize on that curiosity, or children will come to dislike school and learning. This can be achieved by employing varied and creative methods of instruction.

**Participatory learning.** The premise that a multisensory learning experience is more effective than a single-sensory one is sound, yet student experiments and hands-on activities have actually declined as much as 27 percent in the past 10 years. A third of seventh-graders say they never get to do experiments, either alone or in groups.<sup>19</sup> Yet it is commonly accepted that people remember only 10 percent of what they hear but 80 percent of what they experience directly. Since experiments teach the methods of science — methods that have produced world-changing discoveries — today’s students are leaving school largely unprepared for careers involving any type of research and development.

The problem often lies with the teachers themselves. Experiments and group learning often mean a chaotic classroom environment, which can be distressing to teachers who prefer an orderly, one-dimensional method of instruction. Teachers not only need to know how to take advantage of every opportunity to incorporate as many senses as possible into their presentations, they need the resources to do so and the training necessary for them to see the value of teaching this way. Businesses can help by donating equipment and supplies, or even time to come into a classroom and put on a demonstration. They can also invite youngsters to visit their own facilities, giving students extra grounding in the reality of the workplace while they learn.

**Television.** Television can be a tremendous teaching aid and should not be ruled out just because the major networks invest the majority of their efforts in developing programs that will appeal to mass audiences without concern for their social or educational value. Since we know youngsters are going to watch television anyway, teachers are wise to incorporate more of what is being broadcast into their curriculum. Biology lessons could be enhanced by watching and then discussing *Wild Things*, a Discovery Channel animal program. European geography could be brought to life with *France Panorama* on The Learning Channel.

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<sup>19</sup> Cavazos.

Though much of what is shown on television cannot be considered educational, quality programs that can contribute to the learning experience do exist. Shows like *Sesame Street* and *Mr. Rogers' Neighborhood* are noted for teaching youngsters their numbers and letters, as well as providing them with a foundation in building and maintaining relationships and getting along in the world. As the number of cable channels expands and programming becomes more specialized, there is a widening selection of informative shows for both children and adults. The Discovery Channel features a variety of programming that covers high-tech, nature, history and more; Lifetime's target audience is women, and along with entertainment, their lineup includes some sophisticated medical discussions; The Learning Channel includes lessons on everything from cooking to computers; the Financial News Network offers shows to help businesspeople.

Well-researched and artfully produced documentaries are more common than ever, and they are popping up with increasing frequency on cable, network and public stations. PBS's 11 hour epic *The Civil War* is well on its way to becoming a classic (an interesting exercise would be to determine how many miles of videotape have been devoted to preserving that series in home video libraries) and could justifiably be a standard part of teaching that critical period of American history. The more commercial *Roger and Me* provides thought-provoking fuel for discussion and additional research on a variety of topics, including basic economic cycles and the responsibility of businesses to employees. The investment of private enterprise, foundations and even public money in documentaries can be maximized if more of these films are brought into the classroom.

Popular network shows should not be discounted as teaching tools. They provide a tremendous opportunity to discuss contemporary problems and problem-solving. Ever since the precedent-setting *All in the Family*, comedies and dramas have addressed a variety of social issues such as prejudice, bigotry, self-esteem, relationships, drug use, personal responsibility and ethics. They also give teachers the chance to point out that real-life situations cannot be resolved in the span of a 30- or 60-minute television program.

Another teaching aid is the docudrama, which often misleads viewers with a skewed version of the story being told. Teachers can help students develop a needed and healthy skepticism toward what they see on television by asking them to research the true stories behind docudramas. Such an exercise will help students understand how producers blend fact and fantasy to create entertainment that is not necessarily accurate.

Most of us remember struggling through literature courses where we were forced to analyze a variety of works. Without eliminating those exercises, because they are still valid and worthwhile, it's time that educators acknowledge television as a new form of literature.

**Individual style.** Whether they stick to textbooks or go beyond them, teachers have traditionally tended to teach in their own style, whatever that may be. If a student didn't comprehend what was being taught, they simply didn't learn. Though it may be an uncomfortable stretch for some teachers, this is a tradition that must be changed. Researchers have proven that people have their own individual styles of learning, and it is unrealistic for us to put one teacher in a classroom with 20 or 30 youngsters and expect each one of those children to learn everything the teacher presents.

Some schools are adopting different approaches. Teachers at Northview Elementary School in Manhattan, Kan., have achieved tremendous success with techniques such as cooperative learning, where youngsters spend most of their time working in groups and sharing information. This method teaches youngsters to root for each other to succeed, rather than striving to best their fellow students. Another interesting Northview program is a "buddy system," where older children are paired with younger ones on the premise that you learn by teaching.

Another tactic is creating teams of teachers that work with the same groups of students over a period of several years. This technique has been successful in West German schools for the past 20 years and is now being adapted in the United States.

**High-tech.** Technology offers the opportunity for even more innovation in instruction methods. Computers provide students with individualized, self-paced instruction in a nonjudgmental environment. This frees teachers from boring drill and practice sessions and makes learning more enjoyable for students.

The key is to accept and build on diverse learning and teaching styles until the system can meet the needs of every student.

### **Education is a family affair**

When discussing educational failures, it's easy to point an accusing finger at the schools, but these institutions do not bear sole responsibility for teaching our youngsters, nor do they operate in a vacuum. Parental involvement is a critical component of educational success, and will also help strengthen the entire family unit.

Teachers feel they are burdened with teaching nonacademic topics that should be the responsibility of the parents who, they claim, show little or no interest in their children's progress. Mothers and fathers charge that schools make them feel like intruders and are insensitive to the time constraints faced by working parents. That both complaints are probably valid is not the point; what is the point is the situation must change.

Just as an increasing number of health care providers are expanding their office hours to include some evenings and weekends, teachers need to eliminate rigidly scheduled conference days and encourage parents to come in at mutually convenient times. But if teachers are expected to rearrange their schedules to accommodate working parents, the parents must be willing to reciprocate whenever possible. What's more, parents should feel welcome in the classroom at any time, not just for teacher conferences, but to simply observe and share a part of their child's day.

Parents as well as children need to understand that education doesn't stop and start at the school entrance. Former Secretary of Education Terrel Bell suggests that every state require annual, written agreements between parents and schools as a precondition for enrollment. Among other things, parents would commit to seeing that each child gets a good night's sleep, gets to school on time and has a place at home to study. Such pledges impress on parents that though they do not have to pay tuition for their children to attend public schools, they have an obligation to help make the service work.

Taking the idea of a written agreement one step further to include the commitment of the student (once he or she is old enough to comprehend the idea of a contract) would stop treating students as innocent, uncommitted bystanders in education. It's one way to provide incentives that will encourage them to work harder, learn better and assume a greater responsibility for their own education. These incentives could be in the form of recognition, such as achievement awards, and scholarships that would apply to a variety of programs, not just a traditional college.

The importance and value of education should be an integral component of elementary-school curricula, providing students with the motivation to learn as much as possible while they are in the system, and to continue learning throughout their lives. Businesses can assist with this process by asking for report cards and grade transcripts when hiring students for part-time work or when filling full-time entry-level positions.

## **The administration problem**

Though teachers still make up the majority of school staffs, the percentage of administrators is experiencing a notable increase. Almost as many nonteaching personnel as teachers are in the system today; and while we don't argue with the need for support staff, we question the necessity of such an extensive administrative system. It's easy to compare our public school system today with corporate America prior to the downsizing efforts of the 1980s: When profits shrank and small businesses became a serious competitive threat, big companies realized they could easily do without top-heavy structures.

Corporate America may have learned, but most of our school systems have not. Teachers and principals need a larger share of decision-making power and less in the way of mandates or directives from district offices or state departments of education. Studies have shown that often the difference between good schools and bad schools rests largely with the principal's leadership ability and authority.

Nowhere is that point more vividly made than in the crime-ridden St. Louis neighborhood of Walnut Park. Northwest High, a public school, and Cardinal Ritter College Prep, a parochial school, are just four blocks apart. In appearance, the schools are similar; in results, the differences are startling.

With a staff of 100, Northwest has an annual budget of \$3.7 million and a cost per student of \$7,800. The average daily attendance rate is 77 percent; the dropout rate is 45 percent. Only 19 of the 58 seniors who graduated in 1991 planned to attend college.

By contrast, Ritter's full-time staff numbers just 31 people, its budget is \$924,042 and its cost per student is \$3,409. Daily attendance averages 97 percent, and hardly anyone ever drops out. And all of the 55 members of the 1991 graduating class went on to college — 25 on academic scholarships.

Of course, there are numerous reasons for Ritter's outstanding performance, but a primary one is that the authority to make decisions affecting the school and its students lies mainly with the principal. At Northwest, the principal has no say in hiring and firing decisions — he can't even determine the extent of discipline that can be imposed on an unruly student.<sup>20</sup>

Administrators and teachers need the autonomy to make decisions about what will work in their schools without the burden of a multilevel hierarchy that is

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<sup>20</sup> Trevor Armbrister, "Tale of Two Schools," *Reader's Digest*, Nov. 1991, 109 – 114.

practically and spiritually removed from the teaching process. It's the same principle of decentralization that has worked so well for business, and its potential has already been proven in a number of American schools. But as with government reform in other areas, such school administration reform requires that the bureaucracy be willing to eliminate itself — a daunting prospect for the citizen reformer.

### **Testing and the case for national standards**

In conjunction with the need for a broader and more meaningful testing program is the need for national standards. It does no good to test if we don't know what the scores mean. Vartan Gregorian, president of Brown University, says, "We spend \$200 billion a year on education in this country without a national consensus on what we expect in return from our schools."<sup>21</sup> William Banach points out that in sports and many professions, the objectives and evaluation criteria are clear, but "in education the objectives aren't clear. Most school districts can't tell students and their parents what to expect from a 12-year investment." We need to set standards, then create a system to measure how well we are meeting them.

To those who argue that national standards would be unfair to minorities, we ask this: Is it not unfair to minorities to allow them to pass through our educational system without acquiring basic skills in reading, writing and arithmetic? If minorities are not learning, we don't need to lower our standards to meet their level of performance; we need to ascertain what is holding them back and work on solving those problems so they *can* learn. We can do that by regularly testing and measuring the results against national standards.

Part of the American ideal is that everyone should have the opportunity to gain an education, but today, shamefully, simply acquiring a diploma does not signify any specific level of education has been reached. Taxpayers should not be asked to foot the bill for students to take up space in a classroom without learning; it's not fair to anyone, especially the student. Clearly defined national standards would put the value back into a high-school diploma for students, employers and society in general.

The need for national standards continues beyond high school. Technical fields such as medicine, dentistry, engineering, etc., set their own criteria for licensing, but nontechnical fields have no such requirements. It is not unreasonable to

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<sup>21</sup> *Fortune*, Dec. 17, 1990.

expect both undergraduate and postgraduate students in all fields to achieve specified competency levels before receiving degrees.

One challenge to the idea of national standards is to develop them without losing the benefits of local control and creativity. This is where American business can play a significant role, because most business leaders already have experience with decentralizing operations and decision-making while still meeting corporate goals.

Assessing individual ability should not be done as a single exam, but rather on a cumulative basis over a period of years. This would increase the validity of test results while helping students become more organized and motivated. It would also identify problem areas and give students the opportunity to improve their rating.

The advantages of national standards measured by incremental testing are clear: Parents will be able to determine the effectiveness of our education system, employers will be able to hire with an increased level of confidence and taxpayers will be able to assess the return on their education investment.

When it comes to testing, a current focal point of our educational system is the Scholastic Aptitude Test (SAT). Introduced in the 1920s, the SAT appeared to meet an important need of the nation's colleges and universities by evaluating how well a student could be expected to perform at a post-high-school level. The testing program flourished after World War II when thousands of returning GIs decided to further their educations. SAT scores seemed to be a reliable way of determining who was and wasn't "college material."

Whether or not the SAT served a valuable purpose at that point is no longer an issue. What has happened to the program in the years since World War II is it has become a mainstay of our educational system. Millions of dollars are spent preparing for the test; scholarship money is awarded according to the results; and students are admitted or denied entrance to the college or university of their choice depending on their scores.<sup>22</sup>

What's important to remember is that the SAT does not measure what a student knows. High-school curricula across the country are not standard, and there was an even wider range of differences when the SAT was devised. Instead, the SAT measures a student's ability to perform such functions as identifying antonyms,

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<sup>22</sup> Cheney 17.

completing sentences and answering questions about given passages. That the average SAT scores in verbal and math abilities have steadily declined over the past four decades is indeed significant — and obvious to any employer who reviews applications and conducts interviews with high-school students and graduates. But the emphasis placed on the scores themselves is equally, if not more, alarming.

Students are ranked by their SATs. Institutions of higher education are ranked by the average scores of the incoming class. Secondary schools are judged by SAT scores, which impacts local housing prices and job security for principals and superintendents. The entire nation forms an opinion on the state of American education based on this one test.

Consequently, schools are teaching to the test. Rather than thoughtful discussions of literature, English classes concentrate on the skills the SAT tests for. In 1989, Massachusetts ranked sixth out of 22 states in SAT scores, which might give the impression that students are doing well enough. But when asked to give three examples of our constitutional system of checks and balances at work and to explain them, only 3 percent of the state's high-school seniors could do so.<sup>23</sup>

Each year tens of thousands of students take SAT coaching courses, some costing as much as \$600 and more. What are they learning? One SAT preparation book says, "Many of our techniques for beating the SAT are counterintuitive... The SAT isn't a test of how smart you are. It isn't a test of your 'scholastic aptitude.' It's simply a test of how good you are at taking ETS (Education Testing Service) Tests... We're not going to teach you math. We're not going to teach you English. We're going to teach you the SAT."<sup>24</sup> And even as schools and outside concerns concentrate on teaching the SAT, scores remain on their downward trend.

While studying the SAT at the expense of other subjects continues, it's important to remember the SAT is only taken by college-bound youngsters; there is no standard vehicle in place to evaluate high-school students who do not plan to go to college. In 1989, for example, there were 2,781,000 high-school graduates; 39.1 percent took the SAT and 30.8 percent took the ACT. Factoring in overlap, that means from 30 to 60 percent of graduating seniors did not take exams to

<sup>23</sup> Cheney 20.

<sup>24</sup> Adam Robinson and John Katzman, *The Princeton Review Cracking the System*, 1990 ed. (New York: Villard Books, 1989).

measure their scholastic ability or to evaluate their academic skills, so what significance do those test scores really have?

Though a host of criticisms have been leveled against the SAT over the years, the use of the test continues to grow. And we continue measuring our students and schools with an examination that tries to avoid assessing what students have learned about history, literature and other subjects.<sup>25</sup>

While we do not argue against the SAT within its own limitations, our present system has given it a disproportionate but critical value. We need alternatives to the Scholastic Aptitude Test. Lynne Cheney suggests the tests of the National Assessment of Education Progress will tell us what students know and are able to do. Such tests will also be an excellent indicator of how our schools are performing. Moreover, the tests need to be administered at regular intervals throughout a student's academic career. It is unacceptable that we wait until students are in their senior year of high school and then offer one crucial test to determine their skill levels — and then we do so only if they plan on attending college.

### **One solution: Get 'em while they're young**

Education does not start with a child's first classroom experience; it is a process that begins at birth and encompasses all aspects of early development. There is much for a child to learn before they tackle reading, writing and arithmetic. They need basic social skills. They need to know how to converse with adults, if in limited capacity. They need to know how to listen and comprehend simple instructions. They need to develop certain motor skills and hand-eye coordination.

Traditionally these skills were learned in the home, taught by full-time mothers who were probably unaware of the importance of what they were doing. Today this responsibility has been transferred in a large part to child care providers, where both the training and the results are inconsistent.

It is not enough for daycare centers to offer physical safety and a balanced meal to youngsters in their care. Most kennels offer that much at a significantly lower price, but parents would be understandably shocked at the suggestions they leave their children in a cage. But the comparison of a kennel and a daycare center puts the importance of the issue into perspective. The daycare centers'

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<sup>25</sup> Cheney 18.

task is a critical one, for their charges can grow up to either become productive citizens or to join the ranks of those on welfare.

The solution is, of course, to hold child care providers accountable for the quality of service they deliver — and that responsibility lies with the parents. There is simply no way for a government agency at any level to monitor every daycare facility, especially with the proliferation of home-based providers. Parents who are sensitive to their children will be able to recognize quickly whether or not the youngsters are receiving an acceptable level of care. As consumers, they have the capability to “vote with their dollars” and remove their children from a provider who is not measuring up.

Daycare must be viewed not as an expense, but as an investment in a child’s future. When parents work, either by choice or by necessity, they are still ultimately responsible for the well-being of their children. That means when necessary, they should be willing to pay a higher fee to get quality care. Nor should families who depend on government or employer-subsidized daycare programs settle for lower standards. Parents and providers must continually remind themselves that the upfront cost of quality daycare is significantly less than the long-term alternative: Children who are not prepared for school tend to do poorly there. Even if underachievers do not drop out, as many do, they still are not likely to have an education that will allow them to work at anything other than a menial job. They are likely to spend time on welfare, use drugs, commit crimes and, ultimately, go to jail. It is less expensive to prevent failure than to try to correct it later. The cost of educational daycare is far less than that of building and running a prison. In fact, for every \$1 spent on comprehensive and intensive preschool programs, society saves up to \$6 in the long-term costs of welfare, remedial education, teen pregnancy and crime.<sup>26</sup> And there’s another payoff on the upfront investment: The benefiting youngsters will ultimately become taxpayers, instead of tax-users.

Beyond daycare, we must look for ways to assist disadvantaged youngsters so they arrive at school ready to learn. The research in this area is somewhat limited, but one four-year study of nearly 1,000 premature infants from birth through age 3 demonstrated that intensive early intervention (including home visits, parental training and participation in child development centers) with low-birthweight infants can significantly improve their chances for normal intellectual

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<sup>26</sup> *The Unfinished Agenda: A New Vision for Child Development and Education*, 28.

development. Low-birthweight infants in the study's control group received no intervention services and were found to be nearly three times more likely to have IQ scores in the range of mental retardation.<sup>27</sup>

We believe the evidence overwhelmingly indicates that all children, not just the poor and otherwise disadvantaged, will benefit from a more comprehensive and coordinated approach to education and child development. But we also believe that the responsibility for this process lies within the family, not with any government agency. There will always be a segment of our society that will need outside assistance, but the best source of that assistance is the private sector, not the government.

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<sup>27</sup> *The Unfinished Agenda*, 16 – 17.

CHAPTER 6

**Beyond High School —  
Suggestions and Solutions**



*“It is the consumer who should dictate  
the content and quality of education.”*

*George Roche, President of Hillsdale College,  
in his book One by One.*

The problems with our education system do not end with high school. Students are entering colleges woefully unprepared, many of them studying for careers that, in practical application, do not require an advanced degree. Let's examine two major problems with higher education: first, whether or not a college degree is necessary for a successful and rewarding career, and second, the quality of the education itself. Then we'll discuss some solutions for the problems we are experiencing in education at all levels.

### **How important is college?**

The Commission on the Skills of the American Workforce says that by the year 2000, more than 70 percent of jobs in America will not require a college education.<sup>1</sup> Certainly a degree is not necessary for automobile mechanics, electricians, plumbers and a vast number of production and service workers. What is necessary is solid vocational and technical training which can be provided to a large degree in high school and enhanced, if necessary, in a vocational school or community college program. Yet most high schools concentrate on preparing students for college, and those who choose to end their formal education with the 12th grade are ill-prepared to compete in the job market.

The importance of the traditional college education must be drastically de-emphasized. We pay lip service to the dignity of labor and perhaps we truly appreciate the value of blue-collar workers, but we have little in place in the way of programs or assistance for the youngsters who are unwilling or unable to go to college. Yet, like their college-bound peers, they aspire to succeed — to find a niche in the workplace that will enable them to make a living, rear a family and earn respect.<sup>2</sup>

In *What Went Wrong with American Education and How to Make It Right*, Peter Witonski suggests that at about the age of puberty, students with the potential to do well in universities should be separated from their less academically gifted fellows and sent to elitist high schools. The decision should not be made arbitrarily, but based on merit and ability, with some leeway for so-called late bloomers. Nonacademic students would begin their career training at the same

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<sup>1</sup> *Fortune*, Dec. 17, 1991.

<sup>2</sup> "The Forgotten Half: Non-College-Bound Youth in America," a report by the William T. Grand Foundation Commission on Work, Family and Citizenship, published in *Phi Delta Kappan*, Feb. 1988, 409 – 414.

time academic students begin their precollege preparation. Curricula for career programs would be developed in conjunction with business and industry so students could complete these programs with the skills necessary to compete in the modern workforce.

We feel the physical separation of students in this manner is elitist, extreme and in contradiction to basic American philosophies. Even so, the concept of choice in educational tracks is sound.

It's somewhat paradoxical that so many U.S. businesses will hire college graduates and then invest millions of dollars in extensive training programs for those new employees when the same companies won't even accept an employment application for similar positions from a non-college graduate. Many companies insist on college degrees — in any subject, either related or not — for jobs that do not, in reality, require them.

One recruiter for a national gift and novelty company explains the rationale this way: "When an applicant is under 25, a degree tells me they can start something and complete it. It doesn't matter to me what the degree is in; we're going to teach them what we want them to know. When they are over 25, I'm more willing to overlook the lack of a degree and concentrate on their work history." Where does that leave the 22-year-old who didn't go to college, but has the ability to learn skills and is willing to work hard? Particularly in light of our shrinking labor force, companies need to re-evaluate the educational requirements they assign to specific positions.

Our education system provides college graduates with a ladder from school to career, but non-college graduates enter the work world with little assistance. One way to balance this inequity is to provide monitored work experience for students before they leave high school, in the form of cooperative education, apprenticeships, internships, pre-employment training and youth-operated enterprises. Even volunteer work will provide youngsters with valuable experience that can translate to job skills while they perform important community service. (In fact, we support the idea of giving students academic credit for volunteer projects; it instills the habit of community service at a young age. But the volunteer work must be a true elective; otherwise, the program is self-defeating.) High schools should aid non-college-bound students with career information, counseling and a campus job placement office. Such programs will do more than just help students find jobs; they will restore pride and dignity to the crafts and trades.

## **How well are colleges doing their jobs?**

The quality and quantity of university teaching is an important concern. In 1967, classicist William Arrowsmith observed that “at present, the universities are as uncongenial to teaching as the Mojave Desert to a clutch of Druid priests. If you want to restore a Druid priesthood you cannot do it by offering prizes for Druid-of-the-year. If you want Druids, you must grow forests. There is no other way of setting about it.”

In 1990, things hadn’t improved. Historian Page Smith wrote that “if you want good teaching, you have to create an academic atmosphere where good teaching is encouraged, recognized and rewarded with something more substantial than prizes.” But that is not the case today. Smith notes that faculties “are in full flight from teaching... In many universities, faculty members make no bones about the fact that students are the enemy. It is students who threaten to take up precious time that might otherwise be devoted to research.”<sup>3</sup>

Though nearly three-quarters of surveyed college faculty members indicated they did not prefer research — quite the contrary, their interests were primarily in teaching — the road to success and survival in the academic world is through publishing. In fact, university professors who excel in teaching may well find themselves without a job, while mediocre or even poor instructors who regularly publish papers and books are likely to get tenure.<sup>4</sup>

Administrators who place such a strong emphasis on research are responding naturally to powerful external forces, primarily financial ones. Hundreds of millions of federal dollars flow into research at universities. Moreover, academic reputation — which, among other things, dictates tuition rates — is established through the public act of publishing, not through the more private act of teaching.<sup>5</sup> Yet Smith charges that “the vast majority of the so-called research turned out in the modern university is essentially worthless... It is busywork on a vast, almost incomprehensible scale.”<sup>6</sup>

But teachers are caught in the system, and to meet the pressure to publish, they are teaching less. In a 1989 survey conducted by the Carnegie Foundation for the Advancement of Teaching, 26 percent of the respondents said the balance of

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<sup>3</sup> Page Smith, *Killing the Spirit: Higher Education in America* (New York: Viking, 1990).

<sup>4</sup> Cheney 26.

<sup>5</sup> Cheney 26.

<sup>6</sup> Smith 7.

importance among teaching, research and service at their respective institutions had shifted away from teaching and service to research. According to one estimate, since 1920 teaching responsibilities at noted research universities have decreased in many instances by one-third, and often by half to two-thirds. Another factor affecting the time teachers spend in the classroom is the gradually shrinking academic year. As recently as the late 1960s, most colleges had two 17-week semesters. Today, two 15-week semesters are more typical, and some schools are in session for even shorter periods of time.

Not only are college professors teaching less, they are teaching what they want to teach, without regard for their students' wants and needs. Because of the tremendous pressure to conduct research and publish their findings, professors are focusing on increasingly narrow topics to achieve the originality publication demands. Certainly it is understandable that faculty would want to teach what interests them professionally, but such specialization has had a dramatic affect on curricula and has resulted in graduates who have not received the same quality of education as the preceding generation.

Besides the obvious impact on the quality of education, there is a financial impact when faculty members teach less. More people must be hired to teach, so the cost of education escalates. Between 1977 and 1987, the number of full-time arts and sciences students decreased by 14 percent; during the same period, the number of full-time arts and sciences faculty members increased by 16 percent. Instead of evidence that the quality of instruction benefited by this change in ratio, we hear widespread reports of students unable to get into classes and take the courses they want.

To add further insult to students, between 1980 – 81 and 1989 – 90, average tuition charges rose an inflation-adjusted 50 percent at public universities, 66 percent at private universities and 57 percent at other private four-year schools. Certainly a variety of influences have contributed to these increases, but instructional budgets typically comprise 40 percent of educational and general expenditures, making the time faculty members spend teaching a significant factor.<sup>7</sup>

Most colleges and universities use part-time instructors and graduate students to fill gaps in the classrooms. There is nothing wrong with the concept of part-time instructors, especially if they are actively working in the environment about which

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<sup>7</sup> Cheney 28.

they are teaching. Unfortunately, the reality is these individuals are generally underpaid and unsupervised; many “teaching assistants” are foreign graduate students whose often-inadequate command of spoken English means American undergraduates cannot understand them. Supplementing the efforts of professors in this manner again raises the question of the quality of education being offered.

Institutions of higher learning must re-examine their priorities and return to their basic mission of educating students. Students can help instigate this change by demanding that schools provide what their catalogs promise.

### **Community colleges: a resource not being fully maximized**

The stepchild in academia is the community college, where faculty members earn less though they teach more. Community colleges rank low in prestige, and consequently command fewer resources. Yet many of them have positioned themselves as some of the most dynamic forces in contemporary education.

More affordable and flexible than universities, community colleges provide an economic way for students to prepare to enter a four-year institution at the junior level. Community colleges also respond to the needs of the areas they serve by offering one- and two-year vocational programs, special education programs, personal enrichment classes and continuing education. This contribution can be expanded if community colleges work more closely with the business community to develop trade-school and apprenticeship programs for non-university students, forging a closer link between the school and work experience.

Unfortunately, too many community colleges are forced to offer remedial training to high-school graduates who received diplomas without learning basic skills. The improvement of primary and secondary schools would eliminate this need and allow community colleges to focus more energy, efforts and funds on educating students to increase their knowledge, improve their skills and enhance their lives personally and professionally.

Community colleges can also serve as the focal point for retraining workers whose jobs have become obsolete — a problem occurring with increasing frequency which shows no sign of abating.

### **The business/education connection**

More and more companies are realizing our educational system presents them with a form of double jeopardy — they pay for education twice: first through their taxes, then again when they hire and are forced to provide extensive remedial

training to new employees. An additional cost to employers comes from ineffective and inefficient workers. A frightening example was reported in the *Los Angeles Times*: When a woman applied for a Visa card over the phone, the bank employee asked whether she wanted a second card for a family member. The woman replied, “Maybe later.” She received two Visa cards: one for her, and one for Maube Later.<sup>8</sup>

It’s obvious why businesses are seeing the wisdom of getting involved in education. It appears that the three R’s — reading, (w)riting, and ’rithmetic — have expanded to include what the National Alliance for Business calls the “fourth R: workforce readiness.” According to a report issued by the NAB, this includes “thinking, reasoning, analytical, creative and problem-solving skills, and behaviors such as reliability, responsibility and responsiveness to change.” More than ever before, businesses are depending on schools to provide them with a pool of qualified labor. Since it is obvious the schools can’t do so on their own, it is up to businesses to make generous, if not altruistic, contributions in the form of time, money and equipment.

In 1989, only 22 percent of companies that took the initiative to get involved in public education felt they were making a difference. Just two years later, 56 percent shared that opinion.<sup>9</sup>

What are they doing?

- The Industry Initiatives for Science and Math Education at Berkeley’s Lawrence Hall is a program where teachers are hired by businesses to conduct research during the summer. They return to the classroom eight weeks later able to incorporate real-world examples into lessons and give students updated information about careers in math, science and engineering.
- In Orlando, Fla., youngsters in danger of dropping out are paired with a volunteer from the business community. The volunteer commits to spending at least two hours a week with their assigned student at the school, which means employers must agree to provide time off, and are generally doing so with pay. Many volunteers go beyond their minimum commitment, arranging for after-school and weekend outings that include exposure to the business world as well as social events.

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<sup>8</sup> Hewlett 196.

<sup>9</sup> *Fortune*, Oct. 21, 1991, 161.

- A small but growing number of companies are opening their doors to students in a unique way: They are creating satellite classrooms so children can attend school in the same facility where their parents work. The satellite classrooms are extensions of and supported by the local school system. Companies provide the space and furnishings, and generally pay for the upkeep; the schools provide the teachers and study materials. Such programs ease the burden of overcrowding in public schools at no facility cost to the school system, and companies get the added bonus of a tremendous hiring and retention tool.
- On-site daycare for preschoolers is becoming increasingly common. Parents are able to spend time with their children during the day, participate in special programs (such as when youngsters of Walt Disney World employees in Florida dress up in costumes on Halloween and “trick or treat” through the offices), and are generally more comfortable knowing their children are close by. The benefits to the employer include increased loyalty, reduced absenteeism and turnover, and an overall more productive workforce.
- During the four years that James River Corp. of Virginia has sponsored a teenage pregnancy prevention program in a Richmond high school, the number of 10th graders becoming pregnant dropped from 10 to zero.
- In Tulsa, Okla., Amoco is tapping into its retirees as a resource for education. The company donates \$20 for every hour that one of its retirees volunteers at a school. The money goes toward special projects in math, science and computers at that school.
- Capital Holding in Louisville, Ken., has developed a source of skilled workers by placing company volunteers in a local high school to teach a one-year computer science, economics and government course, and then offers summer internships to exceptional students.
- Through its Educational Services Program, Centerior Energy in Independence, Ohio, underwrites teacher workshops and sponsors classroom energy projects.
- In San Francisco, Chevron is funding a program developed by Stanford University that replaces remedial programs for at-risk children with accelerated courses. Teachers work to build the kids’ confidence and push them ahead.

- Entergy, based in New Orleans, funds several programs to reduce illiteracy in Arkansas, Louisiana and Mississippi. Equitable Life Assurance sponsors an annual essay-writing contest in Atlanta. Gencorp helps Akron middle-school students learn what the workplace is really like.

The list of admirable programs is long, but it is by no means enough. Every business in this country, no matter how large or how small, has something to offer their local school system: time, money, supplies, expertise and so on. Just as businesses find their niche in the marketplace, they must find their niche in the educational system if they are to contribute to restoring the American Dream.

Businesses can make an indirect contribution to education by being more sensitive to the needs of working parents, arranging schedules whenever possible to allow and encourage parental participation in the education process. Since the education process does not end with the completion of formal education, businesses can have a tremendous impact on helping employees maintain a high level of learning skills by arranging for on-site continuing education and offering liberal tuition-reimbursement plans.

Controversial high-school principal Joe Clark says it quite succinctly when he points out that the problems in education in this country are so grave, we all must confront them or live with the dire consequences.<sup>10</sup>

### **Opportunity through privatization**

States are buyers of educational services, which they then provide to their citizens. Though most buyers are better off when there is competition among their vendors, states have created a monopoly in the form of public schools, which is their only source of educational services. We have no argument that government should pay for educational services through tax revenues; but we question whether government should automatically presume to *provide* those services.

The response of voters to the cost of education is interesting. As taxpayers, they are inclined to limit spending as much as possible. But as parents and educational consumers, they want government to provide, and pay for, the services they feel are necessary. It's clear that the citizen's role as consumer conflicts with the citizen's role as taxpayer. Equally clear is the necessity for a compromise.

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<sup>10</sup> Joe Clark is the author of *Laying Down the Law: Joe Clark's Strategy for Saving Our Schools*.

Total privatization of the public school system would be impractical, but a variety of school district operations could easily, efficiently and economically be contracted out. It is not necessary for bus drivers, cafeteria workers, janitors, building maintenance and other such support services to be performed by state employees. As for special instructional services, such as remedial education, the recent proliferation of independent learning and tutoring centers indicates ample subcontractor sources are already in the marketplace.

It is estimated that, on the average, somewhere between 40 and 60 cents of every dollar spent on education makes it to the classroom. The rest goes to capital spending, maintenance and administration — and in the last decade the costs for the latter have climbed nearly twice as fast as spending on teachers.<sup>11</sup>

Let's compare the allocation of funds with the burgeoning private seminar industry. Of total revenue received, the average seminar company spends approximately 40 percent on marketing and 20 percent on administration and seminar presentation, leaving an impressive 40 percent profit. Since public schools have no marketing costs and are not intended to make a profit, a school run in the same manner as a private seminar company should put 80 cents of every dollar into the classroom. Even allowing for the larger overhead of public schools and the variety of services they offer, it is clear their administration is suffering from serious inefficiency.

We spend more for education than for any other local public service, yet our school boards are ignoring what most other businesses are enthusiastically discovering: Using private subcontractors makes good operational and financial sense. The private sector has a greater latitude in terms of adjusting the size of their workforce to meet the current demands of the market. More simply put, it's easier for private companies to hire when the demand exists and then to fire employees who are no longer needed. While that may sound somewhat callous, it is a fact of business life, and profitable companies don't routinely retain employees whose services are not necessary.

Another advantage to contracting out is reducing the size of government bureaucracy. The more services government provides, the more employees are required to do the work, supervise the workers, maintain records, interact with other agencies and, in general, do all the other fuzzy, foggy things government agencies do under the guise of public service. But with few exceptions,

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<sup>11</sup> *Fortune*, Dec. 17, 1990.

government cannot deliver services as effectively as the private sector can. Shifting the burden to the private sector would also shift the jobs to the private sector, where they would be managed more efficiently. Admittedly, if there is a significant amount of contracting out of instruction services, there would likely be an increase in regulatory personnel to monitor the contractors, but that is still more economically and functionally attractive than our present system.

Though most of us think of public education as “free,” it is not free; it is paid for through our taxes. In 1970 – 71, public school expenditures alone were \$45.5 billion; in 1987 – 88, they were up to \$172 billion. Total government expenditures on education at all levels in 1988 – 89 were estimated at \$330.5 billion.<sup>12</sup>

In *Privatization and Educational Choice*, Myron Lieberman points out that we do not know the real costs of public education, and we are not protected from excessive costs by competition among service providers. If a service is privatized, he says, all the costs must be identified. In response to the argument that contracting out can lead to undesirable government dependency on contractors, Lieberman says, “This argument is hardly persuasive since it assumes that government dependence on a sole-source supplier is acceptable if the sole source is the government employees themselves.”

## **Educational choice**

For a country that intensely values personal freedom, our public-school students are not offered much in the way of educational choices. They must attend a designated school (they may apply to attend a school outside of their boundaries, but the process can be lengthy, complicated and not always successful), and within that school, students rarely have much choice in the way of instructors or programs. Our young people are educated by the geographic accident of where they live, unless they are economically able to buck the system by attending private schools.

George Roche wonders, “If state schooling is a good thing, why are we *forced* to pay for it, and why are our children forced to attend?... If government has something really good to sell in its schools, at the right price, it will have a market.”<sup>13</sup>

Recently the idea of educational vouchers has been gaining momentum. Jackie Ducote, executive vice president of the Louisiana Association of Business and

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<sup>12</sup> U.S. Department of Education.

<sup>13</sup> Roche 75 – 76.

Industry and a consultant to the Louisiana Right to Learn Committee, makes her point for a voucher system:

I refused to see the education bureaucracy for what it is: a gigantic, ever-growing sponge that ingests but never digests constructive change... Piecemeal attempts to change the present system haven't worked and won't work because the present system is a monopoly. It has a captive clientele and guaranteed funding regardless of results. Thus, it has no incentive to change, and parents and students have no leverage. They can't take their business elsewhere unless they are willing and able to pay twice for it.

The single most important thing the business community can do is unleash a self-perpetuating, external force for change that is free from the control of those who have been in charge of our failed education system in the past.

That force is competition.

... I once thought giving parents vouchers was un-American because I had an almost religious attachment to the present system. Then... I started looking at public education in terms of what is best for children, not what is best for the education bureaucracy. Public education is a public service, but there is nothing that says the government has to be the sole provider of that service. Why should children be held captive in government institutions that are failing to educate them?<sup>14</sup>

The theory behind vouchers is this: The government would allocate a specific sum of money per student based on current expenditures per child. In 1987 – 88, the average expenditure per pupil in public schools was \$4,227, and that figure was expected to rise to \$5,638 in 1990 – 91.<sup>15</sup>

Parents would be given a voucher for that amount, which would cover tuition for public schools, but would also be redeemable at private and parochial schools. Parents would be, of course, free to add to the voucher if they desire to place their children in a more expensive private establishment. Public schools that want to maintain their level of income will have to compete for students by offering quality services in a quality facility, and would likely be forced to improve their efficiency to do so. They would have to treat students and parents with the respect and consideration paying customers demand. Students and parents would have the right to take their business elsewhere if their needs were not being met.

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<sup>14</sup> Jackie Ducote, "Confessions of an Education-Reform Junkie," *Wall Street Journal*, Dec. 14, 1990, A-18.

<sup>15</sup> U.S. Department of Education.

Besides improving the quality of education, voucher systems are a simple resolution to the question of religion in public schools, because parents would be free to place their children in religious or parochial schools and use their educational vouchers to pay for it. It's important to emphasize that the voucher is going to the parent, not to the school, which maintains the fundamental principle of the separation of church and state. An educational voucher system can be compared with the GI bill: Veterans receive their educational allotments in cash and may use them to attend the college or university of their choice, regardless of whether or not that school has a religious affiliation.

In *Improving Schools and Empowering Parents: Choice in American Education*, Lauro Cavazos writes, "Choice is successful because it improves schools from the bottom up. It encourages schools to develop distinctive 'flavors' and unique qualities that meet the needs of students. Choice allows each school to excel at something special, rather than sinking to the lowest common denominator and suiting few."

George Roche offers this elaboration:

The school market in principle begins with a single educator offering his services for a fee, to any who wish to learn what he can teach. More familiarly, it takes the form of a school in which several teachers offer instruction in a rounded curriculum, for which they are paid tuition. In either case, the market basis for his work imposes a discipline on the educator that is absent if he is fully salaried and not accountable to his customer, the student. Students select their teachers in the fields they wish to study and pay accordingly. As in any market, the best, most productive, hardest-working teachers will attract the most lucrative clientele and command the best fees.<sup>16</sup>

Choice will provide our educational system with a healthy dose of free enterprise; it will provide our society with still another form of democratic expression; it will encourage parents to reassert control over their children's education; and it will give poor families the same educational opportunities the rich enjoy.

According to participants at the White House Workshop on Choice in Education (held in January 1989), choice programs have the potential for innumerable benefits. They can bring needed structural changes to schools by shifting the balance of power closer to where it needs to be: the classroom. Choice programs

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<sup>16</sup> Roche 99.

recognize individuality in both teaching and learning styles, as well as goals. They foster positive competition and accountability. Though studies are necessarily limited, preliminary evidence indicates choice programs improve educational outcomes. By providing students with settings that match their styles and interests, choice programs help keep potential dropouts in school and draw back those who have already left. Choice programs empower parents by placing the decision of which school a child should attend where it belongs: in the family. Because there is a natural human tendency to want to avoid being proven wrong, parents who have made a choice about their children's school are likely to be more involved in the overall education process to ensure its success. What's more, parents — especially those whose own educations were limited — are able to learn from their children and apply those skills to their own development.

### **To answer the question**

In the title of chapter five, we asked a question: Is the American education system irretrievably broken or just slightly damaged? The answer is neither. The system is not broken, but the damage is more than slight. When we neglect education, as we have done for decades, we neglect our future. There is a clear need in our country for universal support for lifelong education, and we have the resources to express that support both individually and collectively in a variety of ways.

Older Americans in particular need to rethink their attitude toward education: It is not the exclusive province of families with children. When a Gallup poll asked if people would vote to raise taxes for schools if their local school board requested such an increase, the vote was split among respondents below the age of 50: 45 percent favored the request, and 46 percent opposed it. From respondents aged 50 and above, the reaction was significantly different: 62 percent opposed new taxes and just 28 percent favored them. But education is every American's responsibility, and the results are every American's benefit — or burden.

As we accept that responsibility, we must also come to terms with the fact that the traditional three R's — reading, (w)riting, and 'rithmetic — have necessarily been replaced by more sophisticated essentials: communication skills (written and verbal), technical skills (mathematics, science and technology) and life skills (self-esteem, values, interpersonal skills and the ability to manage one's personal business affairs).

In September 1989, the president and governors met at the historic Education Summit in Charlottesville, Vir. One result was a clear articulation of the need for children to start school ready to learn, for high-school graduation rates to be raised to 90 percent, for levels of educational achievement to be increased, for the promotion of science and mathematics achievement as well as literacy and lifelong learning and for freeing schools of drugs and violence. Our national goal reads: “By the year 2000, American students will leave grades four, eight and 12 having demonstrated competency in challenging subject matter including English, mathematics, science, history and geography; and every school in America will ensure that all students learn to use their minds well, so they may be prepared for responsible citizenship, further learning and productive employment in our modern economy.”

Never before in our history has such a goal been written, nor has achieving it been so vital to our well-being. Education is an area where we can take back personal responsibility and see results in relatively short order. Whether or not we choose to do that will shape the lives of Americans for generations to come.

CHAPTER 7

**The First Amendment:  
A Testimony of Faith in the People**



*Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press, or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.*

*The First Amendment to the Constitution of the United States*

**N**o single clause in any government document better represents the spirit of the American experiment than the First Amendment to the Constitution. This sentence clearly addresses the freedoms necessary for the functioning of a free society and says that our nation's founders believed in the ability of the citizens to accept the responsibility that came along with such freedoms. The First Amendment protects our right to have our own beliefs and to not have the beliefs of others imposed on us; it protects our right to communicate those beliefs, along with other ideas, concepts, thoughts and artistic expression; and it protects our right to associate with whom we choose, to band together, to demonstrate and to demand that the government be responsive.

But as the First Amendment protects our rights, it imposes a tremendous responsibility. Because we are free to believe and worship as we will, we are obliged to arrive at those philosophies without coercion. Because we enjoy freedom of speech and of the press, we are obliged to exercise personal integrity and discrimination in what we put out and accept. And because we enjoy free association, we are obliged to make those associations positive in their accomplishments for ourselves, our communities and our country.

How are we doing?

### **One Nation under God?**

“NO MAN SHALL BE COMPELLED TO FREQUENT OR SUPPORT ANY RELIGIOUS WORSHIP OR MINISTRY OR SHALL OTHERWISE SUFFER ON ACCOUNT OF HIS RELIGIOUS OPINIONS OR BELIEF, BUT ALL MEN SHALL BE FREE TO PROFESS AND BY ARGUMENT TO MAINTAIN, THEIR OPINIONS IN MATTERS OF RELIGION. I KNOW BUT ONE CODE OF MORALITY FOR MEN WHETHER ACTING SINGLY OR COLLECTIVELY.”

*Thomas Jefferson*



The strength of religion in America is undeniable. Americans have literally hundreds of religions from which to choose, a circumstance unmatched by any other country. A significantly higher percentage of Americans believe in God and heaven than do people in other industrialized nations. And Americans are more affected by religion than are people in most other affluent Western societies.

But though religion is one of America's original institutions, there has long been confusion and dissent about its purpose in our democracy. We argue heatedly about how, if at all, religion will be taught in schools; about the relationship between religion and science; about evolution versus creationism; about sexuality and homosexuality, birth control, abortion, adultery, cults and the role of women in churches. Yet running through all the disagreements is a common thread: We are a religious people.

The question is: What does that mean?

### **The New World beckoned — but was religion the draw?**

In a world steadily shrinking thanks to high-speed travel and instant telecommunications, it is difficult to completely imagine the appeal the Americas must have had to early settlers. They endured dangerous voyages across vast oceans to make new lives for themselves, full of opportunity and free from oppression.

The idea that early colonists came here to escape religious persecution is a commonly accepted, but not totally accurate, view. Historically and naturally, political and religious radicalism have gone hand-in-hand, but among the early settlers was a large percentage of people who either had no interest at all in religious questions, or were relatively indifferent to them.<sup>1</sup> Though it is obvious through their writings that most of our Founding Fathers had strong religious convictions, men like Thomas Jefferson viewed religion from a purely rational point of view, and Benjamin Franklin wrote of religion as being a method by which “weak and ignorant men and women, and... inexperienced, inconsiderate youth of both sexes” could learn “virtue” until it became “habitual.”<sup>2</sup>

The fact, however, is that virtue was seen as essential to the future of our young country. John Adams wrote, “Happiness, whether in despotism or democracy, whether in slavery or liberty, can never be found without virtue. The best republics will be virtuous...”<sup>3</sup> At the same time, Franklin thought religion was a private affair which “right-thinking men do not care much to discuss.”<sup>4</sup>

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<sup>1</sup> Thomas Cuming Hall, *The Religious Background of American Culture* (New York: Frederick Ungar Publishing Co., 1959) 146.

<sup>2</sup> Hall 171.

<sup>3</sup> *In God We Trust*, Norman Cousins, ed. (New York: Harper & Brothers, 1958) 97.

<sup>4</sup> Hall 174.

The principles of democracy which guide our country today had their roots in a variety of religious sects. The idea of local self-government came from the Pilgrims; the Baptists offered separation of church and state; Roger Williams and William Penn developed the right to freedom of conscience which manifested as the right to free speech; the equality practiced by the Quakers was the model for the equality spoken of in the Declaration of Independence.

We chose not to adopt into our governmental structure every aspect of every religion. Due to the conflicts between the philosophies of the various sects, that would have been impossible. Our treasured concept of equality is an excellent example; it was a cornerstone of the Quaker faith. In contrast, the Puritans believed in the subordination of the individual to chosen leaders.

The Founding Fathers wanted — and indeed created — a government that allowed each citizen the liberty to practice religion according to the dictates of his own conscience. Consequently, though religious laws aided in the design of a government that may well be considered an elaborate mosaic representing a variety of faiths, neither God nor the Bible are mentioned in the Constitution.

### **A matter of economics**

During the early days of colonization in the new world, religious liberty simply made economic sense. At the end of the colonial period, the prevalence of religious liberty, or at least toleration, was the result of some very practical circumstances: Numerous settlers with a wide diversity of religious beliefs had fled the Old World; those settlers were necessary to assure the success of the colonies; and the great majority of people were unchurched.<sup>5</sup>

The first Lord Baltimore, a Roman Catholic nobleman, was a practical investor who founded the colony of Maryland upon the principle of religious toleration in spite of his own religion rather than because of it. Catholics of the day did not tend to migrate, and Baltimore knew his great land venture was dependent on non-Catholics for success. The colonies needed people, and religious liberty was one of the tools used to attract them. Baltimore very practically decided not to allow his religious faith to interfere with the realities of business.

As the United States expanded westward, the churches followed, maintaining continuous contact with frontier conditions and frontier needs. Because pioneers

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<sup>5</sup> William Warren Sweet, *The Story of Religion in America* (New York: Harper & Brothers, 1950) 66.

are usually independent individualists who are likely to go their own way in religion as in other areas, the frontier was fertile ground for the development of new sects. Denominations divided and redivided. The establishment of churches created a need for ministers, but the poverty of the general population prevented pioneering families from sending their young men east for school. Small frontier colleges under church control were founded, and many of those colleges continue to exist today.

As is the case today, a significant number of business and community leaders in the 18th and 19th century were strong church members. Their leadership and management philosophies began to permeate church structures, with laypeople experienced in business handling the church's financial affairs while the clergy tended to the spiritual needs of the congregation. Adding to the businesslike atmosphere, American churches began forming national organizations which provided a certain amount of standardization and a structure within which certain philanthropies could be carried on.

### **Philosophical evolutions**

With their focus on the teachings of Jesus, many contemporary Western sects overlook the fact that there was religion on Earth prior to the formation of Christianity. Early religious philosophies took the general approach that each being was a part of an integrated universe and that the supreme being was within everyone. The message was: We are a part of everything, and therefore we hold ultimate responsibility for the results of our actions. Many theologians will argue today that this was essentially the theme of Jesus' teachings.

The centuries following the advent of Christianity saw a major shift in Christian thinking. Even allowing for some variations among denominations, the essential message of the most evangelical of the religions — the Assembly of God — is: We are separate from God, we are basically evil and nothing is our responsibility because either God or the devil controls our behavior. When religious leader Jimmy Swaggart was caught cavorting with prostitutes, the devil — not Preacher Jimmy — was at fault. Swaggart's own dogma allowed him to shirk responsibility for violating both civil law and his church's moral code.

### **The role of religion in America**

The prominence of religion in American lives has ebbed and flowed with the times. For example, there was a notable decline in religion in the years following

the close of the American Revolution, when church membership steadily decreased. But a revival soon followed, and though the contrasts were not so sharp in future years, the pattern of wax and wane continued.

In the years following World War II it appeared that the more rigid strains of Protestant Christianity were fading. Americans became more secular. Many pointed to the abundance of contradictions in the Bible when they charged that believers were ignorant and on their way to extinction. The turmoil of the times caused many people to question the value of traditional religion. Technology prompted major cultural shifts. The automobile was a primary factor of suburbanization which, when coupled with the increased geographic mobility demanded by corporations, broke up extended families and stable communities. Birth control pills transformed sexual behavior and gave women increased choices about relationships and motherhood. Television and improved mass communications homogenized our society and set universal standards for everything from family life to speech patterns.

From the 1950s to the 1970s, morality for many became a matter of personal choice rather than a result dictated by religion. Though the 1980s saw a return to religion when the baby boomers began having children, many of these newly returned churchgoers have a strong sense of privacy about their personal lives, preferring instead to focus their church work on helping right the wrongs of society. They work with the homeless, conduct environmental projects and provide a place for self-improvement. In addition to offering them an outlet for their volunteer energies, they look to the church to provide them with a spiritual training ground for traditional values for their children.

Today, organized religion is a powerful, if sometimes conflicting, force in the United States. On the one hand, churches play a critical community service role with such efforts as providing aid and shelter to the homeless, conducting environmental projects and serving as a resource for their members and the community in areas such as daycare, youth and senior groups, counseling and self-help, and even cultural development.

On the other hand — and this is where some controversy comes in — many churches are taking an increasingly active part in government and politics. Recent years have seen the growing numbers and strength of a group known as the Religious Right. Consisting primarily of fundamentalist, evangelical and

charismatic Christians, this group has used radio and television to take their literal faith in the Bible beyond home and church into the political arena.

In one of the most impressive examples of marketing skills, religious leaders such as Jerry Falwell, the now divorced Jim and Tammy Baker, Pat Robertson, Jimmy Swaggart and Oral Roberts built multimillion-dollar ministries — several of which would eventually collapse from the weight of scandals that severely tested the faith of their followers.

Though we have seen these large conservative ministries scale back their operations, the born-again movement is thriving — and a force to be feared. Across the country, members of the Religious Right are working to ban materials they feel are pornographic, to change school curricula to better conform with their own philosophies, to control the books available in public libraries and to outlaw abortion. The interesting paradox here is that many members of today's Religious Right are Baptists who are fighting to influence government, and yet it was the Baptists who were the strongest supporters of a clear separation of church and state two centuries ago.

The question of exactly what role religion should play in our government cannot be answered within the text of one book, and it is not our purpose to even attempt to do so here. Nor are we going to discuss the fraud perpetrated on trusting supporters by some television evangelists. What concerns us, and indeed should concern every American, is that religion is providing millions of people with an excuse to abandon responsibility for themselves. Rather than allowing individuals to make choices based on the strength of their own moral training and convictions, leaders of the Religious Right would rather shelter their flocks from “worldliness” and remove the necessity for any personal decision-making.

Beyond worldly issues with their potential for corruption are the daily risks and rewards of life. Members of the Religious Right prefer to simply accept whatever happens rather than exert any amount of control. Phrases such as “Jesus is in control of my life,” “If it is God's will” and “The Lord will provide” pepper the conversations of many born-again Christians. But just as we are not going to argue the religion/government issue, we are not advocating or denouncing any particular philosophy. Even so, when the essential concept of personal accountability is trivialized and even denigrated in the name of religion, our society and way of life are seriously weakened.

## **Can we survive the influence of religion?**

Religion has the potential to be a valuable and beneficial component of the American lifestyle, but only if theology is coupled with responsibility. Faith can help when dealing with contemporary stresses, but to accept negatives without attempting to change or correct them is not a sign of faith; it is a retreat from reality.

Every thinking person has made some sort of decision about God and religion. That decision may be firm or it may be evolving, but there is no doubt that it has been addressed. Problems arise when thinking stops.

The two important issues surrounding religion in America are freedom and responsibility, and they are irrevocably intertwined. We have the freedom to believe as we will, but we also have the responsibility to protect others from any harm that may arise from our beliefs. Certain major religious sects in the United States today have caused the further annihilation of personal responsibility, and it is our contention here that the result is damaging our society as a whole.

Recent years have seen a growing strength in what is popularly termed the New Age movement — a collection of philosophies which give the individual power and control over their circumstances. These are not fundamentally new principles, but they are new to many Americans who are beginning to search beyond contemporary Christianity for spiritual answers.

New Age thought processes reflect a positive promise because, regardless of which philosophies are accepted and which are rejected, they are founded on the basic idea of individual control and accountability. Is there any great wonder that the New Age philosophies are seen by the Religious Right as devil-driven and un-Christian?

The institution of religion has the potential to be a major force in the restoration of personal responsibility, but only if church members and leaders of all denominations agree on that goal and develop plans and programs to reach it. That means sermons and classes that emphasize responsibility and virtue, not surrender. It means programs relevant to contemporary society. And it means that each church (or other defined religious entity) should demonstrate personal responsibility in an individual and collective manner through the manifestation of their mission statements.

## Freedom of the Press

“IF A NATION EXPECTS TO BE IGNORANT AND FREE, IN A STATE OF CIVILIZATION, IT EXPECTS WHAT NEVER WAS AND NEVER WILL BE . . . WHERE THE PRESS IS FREE, AND EVERY MAN ABLE TO READ, ALL IS SAFE.”

*Thomas Jefferson*



“IN AMERICA THE PRESIDENT REIGNS FOR FOUR YEARS,  
AND JOURNALISM GOVERNS FOR EVER AND EVER.”

*Oscar Wilde, “The Soul of Man under Socialism,”  
The Works of Oscar Wilde, ed. G.F. Maine, p. 1033 (1954).*



For all of the criticism regularly directed toward the media in the United States, our free press is probably the most shining example of the foresight and faith of the Founding Fathers. They understood that a free press was essential to a free nation, and they believed in the ability of the country’s citizens to accept the responsibility of such freedom.

It is imperative that we understand and appreciate the tremendous national resource we have in our media. From the early days, when “the press” was primarily newspapers and other printed communications, to today, when that term has come to include all forms of print and broadcast media, this institution has played a significant role in the development and strength of the United States.

The press in America wasn’t always free to publish information at its own discretion. Early Colonial political leaders believed that their authority would best be guaranteed by control over the printing press, and they did so, using that control to affirm their position and propagandize at the same time.

One of the ways authoritative systems maintain their power is by controlling what is taught and read. In a letter to Charles II, Sir William Berkeley, governor of Virginia in 1671, wrote, “I thank God, there are no free schools nor printing, and I hope we shall not have these hundred years; for learning has brought disobedience, and heresy, and sects into the world, and printing has divulged them, and libels against the best government. God keep us from both.”

The first newspaper in America appeared on September 25, 1690. Brought out by Benjamin Harris, it was called *Publick Occurrences Both Foreign and Domestick* and was full of gossip and information picked up from the people who frequented his bookstore and coffee shop. But Harris had neglected to get the appropriate license from authorities; he also managed to irritate those same authorities with the paper's contents, and the publication was suppressed after only one issue.

Of course, such suppression didn't last long; newspapers were soon widely produced and distributed. Sometimes the information they contained was accurate — and sometimes it wasn't.

Though we are often quick to criticize modern publications for presenting biased accounts of current events, we widely accept the colonial newspapers' version of the American Revolution. Generations of schoolchildren have been taught that the revolt against England was the result of intolerable abuses suffered by the colonists. George III and the British Army were seen as the villains who wanted to tax and control; the heroes were the ragtag farmers who demanded liberty at any price.

It's great propaganda, but the fact is that the Revolution was an illegal and violent rebellion against constituted authority. There were colonial loyalists who opposed it, and they became victims of a savage reign of terror by revolutionary mobs. Among the revolutionaries, there was tremendous disagreement on objectives, the Continental Congress had little real power and virtually no funds, and if France hadn't provided assistance, it's likely the outcome — and the way it was reported — would have been quite different.

Readers of the day wanted to read about heroes, and publishers met that desire by producing uncritical, whitewashed and often erroneous biographies of our leaders. Those inaccurate accounts still show up in schoolbooks and are the foundation of the sense of innocence and naïveté many Americans have about political life.

By pointing out these failings, we are not criticizing the early American press, nor are we defending modern media when they fail to accurately and completely report the news. Mass media are always products of their environment and they respond to the demands of their audience. If early newspapers painted flattering, sometimes idealistic and less-than-factual pictures of public figures, today's reporters feel no such obligation. But regardless of the tact they chose, for the

past two centuries, the American media have been able to do what they felt was best without government interference.

It is significant to note that not all of our early leaders recognized the need for a clearly specified, constitutionally protected free press. The subject wasn't even mentioned in the original Constitution, but was instead addressed in the Bill of Rights at the demand of a suspicious population who had seen firsthand the potential power of the printed word.

When the First Amendment was written, "freedom of the press" meant, literally, an old-fashioned printing press, and "freedom of speech" referred to the human voice. Today we accept this amendment as covering all forms of communication, and while regulations which cover certain mechanics of the electronic media exist, the content — with two exceptions — cannot be censored. (Those two exceptions involve obscenity, which is determined by community standards, and when speech creates a clear and immediate danger to others, such as shouting "fire" in a crowded theater.)

The Supreme Court has been asked to clarify the First Amendment on numerous occasions, particularly in the last quarter-century. Its decisions are usually found in the words of the amendment itself, as Justice Hugo Black once argued, "Madison and the other Framers of the First Amendment, able men that they were, wrote in language they earnestly believed could never be misunderstood: 'Congress shall make no law... abridging the freedom... of the press.'"

Reuven Frank, former president of NBC News, believes the First Amendment is not designed to protect the media, but rather to protect the people. He said, "I have always thought that the inalienable right to a free press is not the right of the press to be free, but the American people's right to a press free of any government involvement, any official's thumbprint, any whatever."

It is that freedom that has created the powerful institution of the American media.

### **Taking communication to the airwaves**

The media development that would influence American life more than any other was broadcasting. Despite their relative youth, radio and television have become so commonplace it is difficult to imagine life without them. They entertain us, bring us news, provide education, offer advice and even serve as a source for religion in our lives.

There are more than twice as many radios as there are people in the United States. More households have televisions than telephones, with an average of two sets per home.

Though radio was a hit with the public in the early 1920s, television invaded American homes faster than any other modern invention. It took the telephone 80 years to be in 80 percent of American homes; electricity was available for 62 years before 80 percent of homes had it; electric washing machines had been around for 47 years and refrigerators for 37 years before they were seen in 80 percent of our homes.<sup>6</sup>

Television has more potential to entertain, educate and inform, to cross societal and cultural barriers, to motivate and influence than any other mass medium in our history.

During the 1940s and '50s, television was something people watched occasionally; for many in the 1990s, television is an almost-constant companion. The sets are turned on in the morning along with the coffeemaker and often stay on until bedtime. Televisions are not an uncommon sight in offices, and doctors often have sets in their waiting rooms. Portable TVs accompany us to sporting events, and some stadiums broadcast the event on the field on a closed-circuit system with screens throughout the facility. Television has become our window to the world, but whether that window is clear or distorted remains a popular topic of debate.

### **Television — blessing or curse?**

Television struck American society with all the delicacy of a tornado, radically changing the way we inform and entertain ourselves. While the long-term impact of television remains to be seen, the short-term is a popular and often heated topic of conversation.

**TV's impact on children.** In chapter four, we mentioned socialization as one of the important functions of the family. Yet the single most important socializer for youngsters today may not be their parents, babysitters or daycare centers — it may be the television. Most youngsters spend more time watching television than in any other activity and, unless their viewing habits are carefully supervised, sex, violence, rape and murder become a part of their daily entertainment. A 1988

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<sup>6</sup> Ibrahim M. Hefzallah, Ph.D., *Critical Viewing of Television* (Lanham, MD: University Press of America, 1987) 6.

study by the Center for Science in the Public Interest revealed that children ages 8 through 12 could identify more brands of beer than they could presidents of the United States.<sup>7</sup>

Estimates of how much television children are watching vary, but it's safe to say that by the time a child finishes high school, he or she will have spent at least 18,000 hours in front of the set compared to 12,000 hours at school and studying. And time watching television is time not spent interacting with family members, playing outside, playing creatively, reading, fantasizing, doing homework or exploring.

Studies examining the effects of television on children have been conducted almost since the inception of the medium, and before that, similar concerns were expressed about radio. Properly used and supervised, television can contribute to a positive learning experience, teaching a wide range of skills and behaviors while it simultaneously entertains and educates.

But when youngsters and adults simply sit in front of the set absorbing its projected sounds and images, they are likely to suffer deleterious effects on learning and perception, nutrition, lifestyle, and family and social relationships.

In *Television and the Classroom*, Don Kaplan referred to a study which indicated that too much TV viewing contributes to lower reading scores among school-age children. In fact, the TV viewing itself doesn't affect reading scores; what does is that children are not reading enough.

"Teaching your child how to make sensible choices about television is another responsibility of parenthood," says Jerome L. Singer, professor of psychology at Yale University and co-author of *The Parent's Guide: Use TV to Your Child's Advantage*. "Automobiles have their dangers, too, but a responsible parent teaches a child how to cross the street and fasten his seat belt. The same caring responsibility extends to television."<sup>8</sup>

## **Television news**

Television news has gone from being a money-losing exercise that network and television station executives pointed to as their way of serving the public interest to a critical profit center. The competition for news viewers is intense, and

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<sup>7</sup> William Lutz, *Doublespeak* (New York: Harper & Row, 1980) 73.

<sup>8</sup> From "Make TV Help Your Kids" by Edwin Kiester Jr., and Sally Valente Kiester, *Reader's Digest*, Oct., 1991, 157 – 162.

television has provided a vehicle for wars and other disasters to enter our homes on a daily basis.

But most TV news operations are little more than headline services, which creates an interesting question: Are broadcast news operations giving us what we truly want, which is short pieces running from one to four minutes per topic, or have we become so accustomed to this format that we are uncomfortable and impatient with more in-depth coverage? Are too many Americans satisfied with this cursory examination of daily events, or are we using the headline-style news programs as a menu to allow us to select what topics we want to research in further depth? Cable News Network has found success by catering to both preferences, providing in-depth shows on one station and CNN Headline News on another.

**The true purpose of commercial TV.** The question of how to present the news is still up for debate, and one answer is that many of us do not look to television for news at all — we consider it an entertainment medium. But entertaining is not the primary purpose of commercial television: Delivering audiences to advertisers is. Children may well be the best target for promoting products geared to both themselves and adults. The amount of junk-food and toy advertising directed toward children is readily apparent. A number of toy makers have turned their products into cartoon characters, creating a program-length commercial which results in tremendous demand for featured characters. And since much parent-child conflict revolves around eating habits, responsible parents are put in the position of having to defend good nutrition against the incessant bombardment of commercials. Advertisers capitalize on this situation by subtly encouraging children to confront their parents with product demands.

Television advertising presents us with a fascinating paradox: While we apparently can't be sure of the impact on viewers of programs containing violent or antisocial behaviors, companies spend billions of dollars attempting to sway those same viewers through television ads. Though we may often appear critical of corporate America, it's unlikely so many companies would be investing so much if they weren't getting results. So what's the difference between the impact of programs and that of advertising? One point is that some viewers depend, though it may be unconscious, on commercials to provide them with product news and information. Another is that commercials are obvious sales pitches. Their messages are a definite "buy our product," as opposed to a crime drama where,

even though the protagonist shoots someone, the viewer isn't being actively encouraged to do likewise.

What about the impact of television commercials on programs? Scripts must be written to accommodate commercials, to leave the viewer anxious enough about the program to sit through the ads, which seem to interrupt programming every eight minutes. If television is cited as a cause of shortened attention spans, we may want to reconsider our approach to advertising, and ultimately to the financing of commercial television.

**Who pays?** Though for years we looked at television as something we received for free, in fact we pay for every program as consumers who purchase advertisers' products. And though public stations have found fund-raising a constant struggle, Americans have shown an overwhelming willingness to pay for television services: Over half of U.S. households subscribe to cable television.

Why is there such a difference between a voluntary donation to public television and a regular fee paid to a cable company? The answer isn't precisely clear. What is clear is that both public and private television networks are struggling financially. The major networks are steadily losing viewer share, and a growing number of cable channels are creating the same market niche situation already used by radio and magazines. William Winter, director of the National Press Institute, predicts that by the mid-1990s most major sports and entertainment events will be seen on a pay-per-view basis. He says viewers may find themselves spending as much as \$50 or \$100 to watch the Super Bowl in their own homes.

Certainly the idea of commercial-free, pay-per-view television has its merits. The offerings by many cable companies today resemble an all-you-can-eat buffet, and many viewers react with the natural tendency to get their money's worth by "eating" as much as they can. Pay-per-view would prompt viewers to be more selective, to not watch television just because it's there. It would also prompt producers to be more aware of programming content and quality, since unacceptable shows will not be watched, and thus will not earn money. Indeed, there would be greater responsibility all the way around.

**Program quality.** Regardless of who is paying the bill, we love to debate the issue of program quality. Public programming is usually of a significantly higher caliber, but the audience is considerably more narrow. By contrast, major network shows tend to draw the largest share of criticism — along with the largest audience. It appears that as the mass audience broadens, there is an inevitable

drop in quality. But with the advent of additional cable channels and increased independent networks and syndicated shows, the quality of some television appears to be improving.

The issue of program quality and content raises some interesting issues. The majority of the mass media are financed by advertising dollars, which are directed to shows designed to appeal to the advertiser's market in numbers that are competitive with the fees being charged. Though companies occasionally refuse to sponsor programs which address controversial topics, fearing a consumer backlash, the problem goes beyond that. Advertisers look for programs with broad appeal, and history has shown the broader the appeal, the lower the quality. So the networks and stations are indulging in a form of censorship as they provide programming not anywhere near as good as it could be in the interests of their own bottom line.

On the other hand, the networks and stations are private enterprises in their own right, entitled to do what is legally necessary to make the most money possible, even though it may be at the expense of quality programming. Minimal government intrusion into our personal and business lives is a cornerstone of the American way, and the idea of giving the government additional control over the airwaves is chilling. We must consider former FCC commissioner Nicholas Johnson's observation that "First Amendment values exist to benefit the entire society, not just the gate-keepers sitting astride our arteries of communication."

Setting aside the issue of legislating content, the viewing public can demand better programming — we have simply chosen not to. The fact is, we get what we appear to want; if we don't demand excellence, we won't get it.

So what is excellence? According to CBS Television Network program standards, "A CBS television program is a guest in the home. It is expected to entertain and enlighten but not to offend or advocate."<sup>9</sup> In light of such a bland written policy, it's amazing that CBS managed to air some of the most remarkable and progressive commercial programming and finest news shows of the past two decades: *All in the Family*, *The Mary Tyler Moore Show*, *M\*A\*S\*H*, *Cagney and Lacey*, and *60 Minutes*. It's not necessary for every show to send us racing to the streets demanding social action and reform, but one aspect of excellence

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<sup>9</sup> "Program Standards, etc." *Television as a Social Issue*, Stuart Oskamp, ed. (Newbury Park, CA: SAGE Publications, Inc., 1988) 133.

certainly would be addressing current, common issues which affect us today in a clear, well-balanced, accurate manner.

### **Violence in the media**

That some of the most violent programming on television is in children's cartoons is indisputable, but the impact of that violence on young minds continues to be debated. Almost every psychologist who writes about the issue takes the position that television violence causes aggression. But though laboratory experiments have shown a relationship between viewing violence and aggressive behavior, we must remember that people do not watch one program in isolation, and even the most violent of programs have other aspects to them. The effect of TV violence is interrelated with other societal influences. If violence were eliminated from television, it would not be eliminated from our lives. And if viewers were motivated by television violence to commit violent acts themselves, would it not be safe to assume they would be equally motivated to copy good deeds they saw on TV?

If laboratory experiments are, by their nature, unreliable, field experiments have a different set of problems. They are expensive and complex, requiring major investments of time, energy and dollars, as well as patience and persistence. Consequently, we do not have many field experiments to examine, and those that have been conducted are not consistent in their results.

Though concern over the impact of violence on television and in films is understandable, recent trends in the kinds of antisocial behavior measured by crime statistics run counter to the changes in the amounts and availability of media containing violence. The fact is that television violence is more likely to affect our perceptions rather than our behaviors, and does not have a seriously negative effect on most people. The exception, according to most researchers, is the small percentage of psychologically or socially maladjusted individuals who may model unacceptable behavior after television violence. It seems, then, that television has been more successful at increasing the fear of crime than increasing crime itself.

We must also remember that television and films have the capability of showing alternatives to violence; that they do not is primarily the result of the messages that we as consumers send.

## **The gap between perception and reality**

It's obvious that crime is on the rise in this country — isn't it? In actuality, crime statistics have been relatively flat; it's the perception of the problem that has gotten out of hand.

According to a 1989 Gallup survey, 53 percent of those polled thought crime was worse in their areas than a year earlier, and 84 percent thought there was more crime in the United States overall.<sup>10</sup> But the U.S. Department of Justice reports that the rate of crimes of violence is down to 29.6 per thousand people in 1988 from 33.0 in 1974. Over the same period, the rate of robberies dropped from 7.2 to 5.3; aggravated assaults went from 10.4 to 8.7; thefts dropped from 95.1 to 70.5.

The only explanation for this dramatic difference between perception and reality is the media. Of course, it's not news that Mr. Jones wasn't robbed and Ms. Smith made it home safely after working late last night. But then, most crimes aren't reported in the media: There's not enough time on the evening news to list them all, and though a number of community newspapers feature a "Crime Blotter" section, there has to be something remarkable about a crime for it to make the pages of the major dailies. It seems that if it is news, it must be bad, and we are bombarded daily with thousands of negative messages, often sandwiched between the image of smiling television anchors and an occasional mention of something positive.

The result, says William Winter, is that "we have... become convinced that our society is much less than it really is. With our constant focus on the negative, we find it very hard to trust or respect our schools, our elected officials, even our religious leaders. All the while, the vast majority of Americans who break no laws, who eschew illegal drugs, who donate their time and money to charities, who build their communities rather than tear them down, go largely unnoticed by the media and unheralded by the communities whose approbation they have fully earned."

Another area where television has created a reality-versus-perception problem is in the area of crime resolution. Our favorite television police officers almost always "make the collar" — and they do it within the confines of a 30-minute or one-hour program. The actuality of criminal investigations is a far cry from a fast-paced crime drama; it's slow, tedious, with plenty of dead ends and, all too often,

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<sup>10</sup> Sourcebook of Criminal Justice Statistics, 1989, 142.

not much hope for success. Remember, it took police 14 years to make an arrest in the murder of actor Robert Conrad.

Obviously, a program offering a true depiction of police work would be boring to most viewers, which means it would not attract sponsors, and the stations couldn't afford to air it. That, in a nutshell, seems to be the primary reason we perpetuate such unrealistic stereotypes.

Audiences assist in perpetuating the media mystique, especially when it comes to television. Ira Glasser, executive director of the American Civil Liberties Union, articulates it this way:

There's a quality to television that makes it, for many people, more real than the reality it is supposed to be... bringing to us. I appear on television a fair amount, and I notice this phenomenon by the way people react to seeing me on the tube... [I]f I appear on the "Donahue" show in the morning, that night when I go home or the next day I'll be in the elevator of my apartment building, and people who see me every day in various states of dishevelment will get into the elevator and their eyes will widen and they will take a step back and say, "I saw you on television." I think to myself, "You saw me in the street too — more often." But they never mention that... Now, since they saw me on television, it appears there's something really special about me... [they feel] my words have meaning and portent like an oracle who must be respected.<sup>11</sup>

So far we've discussed the issue of adults dealing with their own understanding of what is broadcast on television. But in the 1960s, after seeing an animated version of *Peter Pan*, a youngster decided she could fly by sprinkling house dust on her head and leaping off the top of her bunk beds. A few bruises and many tears later, she learned a valuable lesson in the difference between fantasy and reality.

Particularly in their formative years, children are extremely impressionable — a fact that makers of children's products capitalize on every Saturday morning. Marketing techniques are becoming increasingly sophisticated; for example, shows with direct tie-ins to products become essentially a 30-minute commercial. Product demonstrations tend to be misleading: Accessory items are often not included in the basic toy package, and actors repeat their movements over and over until they get the motions just right. But children do not have the ability to

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<sup>11</sup> "Construction of Reality," *Television as a Social Issue*, Stuart Oskamp, ed. (Newbury Park, CA: SAGE Publications, Inc., 1988) 45 – 46.

separate promotional hype from a product's true potential. That's why parental involvement in children's television habits is essential to responsible child rearing.

Critical viewers can analyze what they see and hear on television, they can distinguish between reality and fantasy, they can make informed judgments and thoughtful evaluations of programs and they can integrate watching television with other leisure-time activities. The skill of critical viewing needs to be developed in adults, and then passed on to our children if we are to reap the full benefits of the powerful medium of television.

### **The issue of broadcast regulation**

Had the Founding Fathers been able to foresee the brilliant technological advancement of broadcasting, would they have agreed to the regulations the industry currently endures? The Federal Communications Commission, which controls the broadcast media, is basically a political body responsive to pressures that do not necessarily have any relationship to the public welfare. Though there is the illusion that citizens have some control over the FCC, since they elect the Congress who approves the president's appointments of FCC members, in reality the power to regulate the broadcast media lies with the president, Congress and the FCC.

The regulation of broadcasting came soon after it was discovered that sound could be transmitted over long distances through the air without wires. The nation's original amateur radio operators enthusiastically filled the airwaves with chatter and became a major source of irritation to the armed forces, who expected radio to have revolutionary military uses. So the Navy went to Congress, and a radio licensing law was passed in 1912, despite the protestations of the amateur operators.

The Radio Act of 1927 created additional restraints, requiring all broadcasters to obtain a license from the secretary of commerce and labor, who, incidentally, was an appointed — rather than elected — official. Amateurs were kept within one band width; ship and government broadcasting were separated into two other bands, and the Navy's problem was solved.

There is some logic to restricting entry in broadcasting; it's a basic zoning issue to keep operators from overlapping one another. But the individual who applies for a license to start a radio or television station must, among other requirements, show a need, demonstrate local support and prove that the station is in the community interest. By contrast, all it takes to start a newspaper or

magazine is access to a printing press or, nowadays, a desktop computer. A truer reflection of the intent of the First Amendment would be the elimination of the need requirement for broadcasters and the allowance of market forces to govern program content, and subsequent success or failure, of radio and television stations.

In short, government regulation of the media should deal with traffic control and nothing else, allowing citizens to apply the appropriate responsibility in their listening and viewing behavior that they do to their choice of reading materials.

### **The continuing controversy of censorship**

In spite of the First Amendment, censorship has never stopped being an issue in America. We find it more than a little paradoxical that some citizens seem quite willing to destroy by censorship an institution built on an opposite ideal. It's important to remember that if we can shut someone else up, it's possible for someone to shut us up.

As a society, though, we have always tolerated a certain amount of censorship, indicated largely by the fact that the media has generally been willing to defend and accept the prevailing view of public morality as the criterion of what could be disseminated. Of course, the controversy about whether or not to allow Rhett Butler's famous exit line in *Gone with the Wind* is legendary (somehow "Frankly, my dear, I don't give a darn" just doesn't have the same impact), and from 1934 to 1954 the Production Code for motion pictures prohibited the depiction of drug trafficking, among other things. But it was 1931 before the New York *Daily News* became the first American newspaper to use the word "syphilis." In 1934, that same paper earned the further distinction of being the first to print "son of a bitch."

Even today, American newspapers and broadcast media employ a form of self-censorship that is in sharp contrast to magazines, books and films. Most American dailies describe themselves as "a family newspaper," but the families that slogan represents are more likely to be found on television sitcom reruns than in modern cities and towns. And in this context, "family" means "no sex."

The first book brought to court on obscenity charges was John Cleland's *Fanny Hill* in 1821. Twenty-one years later, Congress responded to pressure from moralists to pass an obscenity law which was, interestingly, directed at imports and confined to pictures, not text. The reason behind this action was the invention of photography. Soon after the introduction of the camera, erotic photographs appeared. But the law did not stop the pictures; it simply made them illegal.

American writers and photographers continued to resist censorship efforts. The largest collection of erotic literature in the world is housed in the library of the Institute for Sex Research at Indiana University, where the Americana section contains at least 46 items published in America between 1800 and 1865 — most of them anonymous.

Though early magazines and newspapers carefully avoided erotica, they were far from reticent when it came to descriptions of violence and in the use of language where politics was concerned. In fact, the newspapers became the voice of political dissent as they expressed their opinions on government and social issues, strongly influencing public attitudes and actions.

Somewhere along the way as legislation governing the broadcast media was being developed and revised, the FCC was given implicit power of censorship. An FCC report issued in 1946, *Public Service Responsibility of Broadcast Licenses*, was an effort to improve radio programming. Yet this was essentially censorship because the government was controlling what went on the air. It should be safe to assume that, had the Founding Fathers been able to foresee radio and television, they would have included them specifically in the First Amendment; since that was not the case, “freedom of the press” has evolved to include broadcasting.

The ACLU’s Glasser believes television played a significant role in the fundamentalist revival in this country and its subsequent censorship efforts. Serving as a homogenizing force, television brought mainstream America into fundamentalist homes. Where once the primary socializing agents for these youngsters were their families, churches and schools, today television provides them with plenty of crime, sex, violence and values contrary to their parents’ beliefs. Since the fundamentalists can’t escape television, Glasser charges, they want to censor it. “Their response is impossible for the rest of us to accept, because their response is to censor everybody else, and that is unacceptable in a free society,” he says.

Often cries for censorship are disguised as concern for public welfare. Should television violence, for example, be legislatively restricted because some researchers believe there is a connection between it and aggressive or criminal behavior?

We think not. The reason there is so much violence in the media today is that audiences appear to want it, and their desires are measured by television ratings

and movie box-office receipts. If the government steps in, it is likely that violence will only be one of many aspects of programming restrictions. Research and author Jonathan L. Freedman pointed out, “If violence on television is considered harmful because it encourages aggression, others will argue that programs dealing with divorce, family violence, sexuality, abortion, life in communist countries or any other controversial issue are also harmful... Once censorship starts, who is to say where it will stop?”

Speech and other forms of expression supported by the majority of the population have no need of protection from the Bill of Rights — they are protected by the fact that they are shared by large numbers of people. The First Amendment protects the unpopular, the expressions which are not part of the mainstream — ideas which are likely to generate controversy. Neither the principles of democracy nor the goals of the First Amendment are governed by “majority rule.” It is the obligation of the individual to evaluate and then accept or reject what is disseminated through the media. Even the most well-intentioned censors contribute absolutely nothing to the development of personal responsibility.

### **When two rights collide**

While the First Amendment protects individual and collective rights of speech and expression, it also protects the rights of others to have access to the information disseminated by the media. This is generally referred to as the public’s right to know, and it has clashed on a regular basis with an individual’s right to privacy.

How far does the public’s right to know go? Gary Hart thought the media had gone too far when revelations of his alleged relationship with Donna Rice derailed his 1988 presidential campaign and destroyed his political career. He didn’t think such reporting was what the Founding Fathers had in mind. Certainly in recent history, members of the press opted to ignore the extramarital relationships of Warren Harding, Franklin Roosevelt, Dwight Eisenhower, John Kennedy and Lyndon Johnson. But earlier writers were not so thoughtful of Alexander Hamilton’s romance with Maria Reynolds — and those newspaper reports included charges presented as facts that were later proven untrue. Indeed, in our lawsuit-happy society, the majority of the media work hard to present accurate stories. That some don’t is a problem based on the flaws of human nature, not of the First Amendment.

What about balancing the public's right to know and freedom of the press with the issue of national security? This issue received much public scrutiny during Operation Desert Storm. Viewers watching the Cable News Network on January 16, 1991, were actually able to see the war begin, and we were insatiable in our appetite for information from the Persian Gulf. Able to see what was happening as it happened, we wanted to know what was going to happen — information the military wasn't always willing to release.

Technological advances also allowed us to see reporters at work, asking what appeared to be stupid questions and sometimes badgering officials for details. Many Americans were dismayed at the picture. *Orlando Sentinel* report J. Craig Crawford explained the journalists' behavior:

That adversarial process has governed news media relations in a free society since the first report accosted an elected leader for information the public deserved to know...

Usually the government official under siege has the advantage of knowledge, holding pertinent information that a reporter cannot fathom without asking a lot of uninformed questions. Sometimes the reporter's questions are designed to rule out potential answers in hopes of reaching the truth by a process of elimination.

The process is much like playing the childhood game of 20 Questions. First you ask whether the topic is animal, vegetable or mineral. Each succeeding question narrows the search until the answer becomes apparent.

Witnessing that tedious method of gathering information on national television gave many Americans an unfavorable view of reporters. They appeared to be uninformed nitpickers rather than professional news gatherers doing their best in an information vacuum.

...If a question goes too far — asking for obvious military secrets or sounding insensitive, the official is free not to answer it, and no one is harmed. If something new is learned — perhaps some fact that gives taxpayers a better understanding of what their officials are up to — then the nation wins.<sup>12</sup>

## **Policing the police**

Throughout our history, the media have served in a curious protector/protected capacity and added an interesting dimension to the Constitution's checks-and-balances system. As the Bill of Rights protects the rights of the media, the media respond by protecting the right of the public to know — and, in the process, have

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<sup>12</sup> *Orlando Sentinel*, March 31, 1991, G-1 and G-4.

exposed some pretty shabby and often illegal behavior of people in a position of public trust.

When a private citizen testing a new video camera recorded the beating of Rodney King, a handcuffed black suspect, by Los Angeles police, outrage against police brutality swept the nation. But lost among the vivid images of armed police officers viciously swinging their nightsticks is an interesting question: Had that tape been turned over to the police department instead of a television station, would its contents ever have been made public? Would the LAPD have taken steps to discipline the officers involved, or to prevent a reoccurrence of the situation? (The matter of video vigilantism on the part of citizens is separate from the institution of the media, and we agree there is cause for concern when private citizens invade the privacy of other citizens by videotaping them engaging in personal, legal conduct with permission. However, that is a societal issue, not a media issue.)

Tai Collins took her claims of an affair with Virginia Senator Charles Robb to the press because she feared for her safety and well-being and believed if the story was made public, she would be less likely to be harmed. That Robb denied her charges is beside the point we are making here, which is that Americans often have more faith in the media than in the police to offer them protection. In fact, the media police the police — as well as government, business and the other institutions which guide our society.

Indeed, as watchdogs, the media have very sharp teeth. An investigation by two *Washington Post* reporters led to the Watergate scandal and, ultimately, to the first resignation of a president in our history.

When the *Pittsburgh Press* uncovered inadequacies in the Federal Aviation Administration's medical screening of commercial airline pilots, it led to reforms designed to keep impaired pilots out of the cockpit. Marine Corps training practices were changed when the Lufkin (Texas) News investigated the death of a hometown boy at boot camp. The University of Kentucky reformed its athletic program after the *Lexington Herald-Leader* exposed abuses that included cash payments to players and other violations of NCAA rules. Irreparable damage to the hill country of northwest North Carolina was prevented when the Winston-Salem Journal and Sentinel revealed inadequacies in the state's regulation of strip mining.<sup>13</sup> It took a threat by accountant Stuart Becker to take his story to the *New*

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<sup>13</sup> Robert J. Wagman, *The First Amendment Book* (New York: Pharos Books, 1991) 11 – 12.

*York Times* before the IRS would confirm in writing that their request for \$6,000 in interest on back taxes was an error.<sup>14</sup> Over the years, media representatives have eagerly exposed government and corporate mischief, pointed out details politicians would prefer we not know and forced businesses to correct wrongdoings.

### **The future of the media**

In all of its forms (as an entertainment, news or advertising vehicle) and in all of its incarnations (from print to electronic to unforeseen future technologies), the media is one of our most valuable institutions. It continues to work in spite of roadblocks, restrictions and apathy. But as technological advances occur at an astounding rate, we must be prepared to help our media move into the 21st century.

Federal Communications Commission Chairman Alfred Sikes says a number of obstacles “could hamper the nature and pace of this new world of communications — most notably the array of regulations the FCC, the courts and other agencies currently enforce.” Regulatory reform that would encourage development and use of new technologies is needed, but it will likely be fought by communications special-interest groups that are satisfied and profiting from the status quo.

Sikes points out, “If telephone companies can’t transmit video, and cable companies can’t provide telephone services, then development of fiber optics may also be at risk. If that happens, our world leadership in communications is in serious jeopardy... The challenge in the 1990s is for the public to become involved so that the stakes will be understood by more than just the stakeholders. In this way, the United States can move into the 21st century with more productive regulations and a more competitive market for the revolutionary new forms of communications.”

Never before has determining appropriate media regulations been so challenging. It requires a solid understanding of history, of American principles and of what technology will offer us in the future, along with the willingness to accept responsibility for the impact of the media on our lives. The wrong decisions could have serious and irreparably damaging consequences on the future of the United States.

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<sup>14</sup> Laura Saunders, “How to Stand Up to the IRS,” *Reader’s Digest*, Dec. 1991, 103.

## The rest of the First Amendment

“[W]E SHALL NOT BE POOR IF WE LOVE LIBERTY, BECAUSE THE NATION THAT LOVES LIBERTY TRULY SETS EVERY MAN FREE TO DO HIS BEST AND BE HIS BEST, AND THAT MEANS THE RELEASE OF ALL THE SPLENDID ENERGIES OF A GREAT PEOPLE WHO THINK FOR THEMSELVES.”

*President Woodrow Wilson, address on Latin American policy to the fifth annual convention of the Southern Commercial Congress, Mobile, Ala., Oct. 27, 1913.*



All of the rights in the First Amendment are delicately intertwined. It is difficult to enjoy the freedom of religion without the freedom of speech. One can't enjoy the freedom to express ideas without the freedom to associate with chosen people. And when those ideas take shape and life, we have the right to take action on them — and demand, if necessary, any appropriate governmental action.

We've already discussed the power of associations and their impact, especially through financial support of candidates, on our legislative and political process. Though we may not always appreciate the methods or even the results, the reality is this is the First Amendment in action.

The United States became a great nation because her citizens were unwilling to collectively allow someone else to think for them, and because they were willing to accept the responsibility for their own personal development. Rights and responsibilities are interminably linked — surrender one, and the other is automatically lost.

We have the right and the responsibility to demand that our government officials — both elected and appointed — be responsible to the citizens as we are responsible to and for ourselves.

CHAPTER 8

**The American Lifestyle —  
More Than Junk Food,  
Fast Cars & Designer Trinkets**



*“It is not our affluence, or our plumbing, or our clogged freeways that grip the imagination of others. Rather, it is the values upon which our system is built. These values imply our adherence not only to liberty and individual freedom, but also to international peace, law and order, and constructive social purpose. When we depart from these values, we do so at our peril.”*

*Senator J. William Fulbright, remarks in the Senate, June 29, 1961, Congressional Record, vol. 107, p. 11703.*

It's easy to confuse the American lifestyle with the images projected from television screens and magazine pages, images that are more concerned with gadgets and glitter than substance. We are perhaps the most materialistic society in the world, pursuing the acquisition and possession of objects with a dedication unmatched by any other people. This enthusiasm for things should not necessarily be viewed with disdain; it is a natural manifestation of the human spirit, it encourages innovation and, so long as it is not accomplished at the expense of others, there is nothing fundamentally wrong with it.

But it is only a very small part of the American way of life.

So what is the American lifestyle? It is a vast and varied embodiment of American institutions, a mosaic so complex it nearly defies definition. It is wealth and poverty, health and sickness, youth and age. It is crime and justice, shining opportunity and solid brick walls, diamond-studded benefit dinners and shoeless children in the winter. But more than anything, it is societal freedom, personal liberty and the principles of democracy in action, not yet perfect — perhaps never perfect — but proof that the American Experiment is a rousing success.

But to enjoy success without continuing the effort is to invite failure. This has been one of our greatest faults: believing that since the American Experiment worked, we no longer had to work at it; we could sit back and allow it to serve us. The error in that line of thinking is apparent in our declining living standards; in the increasing number of families living below the poverty level; in the middle-class households that require two incomes just to keep pace with the past, never mind planning for the future (the average family income in 1988 was just 6 percent higher than in 1973, in spite of the fact that almost twice as many married women were working); in the mothers who must choose between staying home with their children or working to earn money to feed them; in the people who are unable to pay for needed medical care; in the rising number of homeless Americans — in short, in the deterioration of critical American institutions.

Let's take a look at some specific examples of how the abdication of personal responsibility has contributed to the decay of American institutions.

### **And the company will provide**

The ideal relationship between employer and employee is one of mutual respect, trust and a fair exchange of wages for work. It's a goal that has proved elusive for many Americans on both sides of the fence — and the waters are muddied even further when the government steps in.

As Americans ask more and more of their employers, even going so far as attempting to legislate certain benefits, businesses complain that the cost of meeting such demands is cutting into profits, driving up prices and reducing U.S. competitiveness. Studies, statistics, expert opinions and even comparisons with other countries can be made to support both points of view, but it all really boils down to one issue: Who is responsible, and for what?

Just exactly what is a company's obligation to its workers? Until well into this century, most people received wages, and not much else. Industrial environments were frequently hazardous, hours were long and jobs were gained and lost on the whim of a supervisor. But oppression is not a natural human state. Workers banded together to form labor unions, vocal citizens turned into legislative activists and the deplorable working conditions common during the Industrial Revolution gradually disappeared.

Things really started to change after World War II when wage controls forced companies to do some creative thinking in designing benefit packages that would attract and motivate needed employees. Today, indirect compensation — or “fringe benefits” — can include such items as insurance (life, medical, accident, disability, dental and optical), vacation, sick leave, personal leave, stock purchase plans, retirement plans, tuition reimbursement, paid holidays, company-subsidized service facilities (cafeterias, health clubs, daycare centers, etc.), parking and more.

Certain benefits simply make good business sense. Workers need regular breaks and vacations to maintain maximum productivity. Stock purchase plans give employees a sense of ownership in the company, which has a positive influence on performance.

But is insurance the responsibility of the company — or the individual? Is planning for retirement the responsibility of the company — or the individual? Is daycare for workers' children the responsibility of the company — or the individual?

And what about the workers' responsibility to the company? Too many benefit discussions center around what the employees want and what the company can afford to pay for, with little or no consideration to how the company will be served by providing such extras. The plague of entitlements that took root with New Deal programs has spread to the private sector and is growing with frightening enthusiasm.

This is not to say that generous benefit programs are not a positive aspect of American business, but companies have the right to demand a fair return on the investment they make in workers. That means the historically adversarial labor/management relationship needs to change to become more cooperative, with both sides accepting responsibility rather than simply making demands and assigning blame.

Let's consider some specifics:

- Family issues. The days of expecting employees to “leave their personal lives at home” are long gone. For companies to develop programs designed to meet the needs of contemporary American families creates a win-win situation. Ideas such as flexible hours, job sharing, cafeteria plan benefit policies, employee assistance programs, child and dependent care programs, family leave, etc., make life easier for workers and generally result in increased productivity for the company.

But these are benefits, not entitlements. The ultimate responsibility for the family lies within the family, whose collective members make up every aspect of our society — including business managers.

U.S. Senator Barbara Mikulski of Maryland observed, “Workers have families all year around — not just at the annual picnic. That means family issues are business issues.”<sup>1</sup> To a degree, that's true, but rather than mandating family policies for businesses, government should provide incentives for businesses to develop their own programs, and then stand back and let the free enterprise system work. It will.

- Job security. News reports of union negotiations frequently mention job security as a point of contention. The implication is that workers are entitled to their jobs, regardless of what other forces may be driving the company. Certainly employers have an ethical concern with providing retraining to long-term workers affected by job obsolescence; such a policy also benefits the company and is usually more cost-effective than hiring new personnel. But no one is entitled to a job unless an executed contract so provides. No one is entitled to be paid for work they are not doing. Individuals have the responsibility for creating their own job security by performing their jobs in a way that ensures their value to the company.

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<sup>1</sup> John J. Sweeney and Karen Nussbaum, *Solutions for the New Work Force* (Cabin John, MD: Seven Locks Press, 1989) 111.

- Unearned wage increases. Most major corporations today give an annual across-the-board salary increase based on the rising cost of living. Workers receive the essential message that there is at best an incomplete relationship between productivity and income. Though a compassionate employer considers inflation when determining wage levels, compensation based on the individual's worth to the company encourages responsible performance.

### **Health care in America — the best of times, and the worst of times**

One of the hottest political topics of the day is health care, and indeed, our system is expensive, unfair and riddled with contradictions. The United States is home to some of the most advanced medical technology in the world, yet it is unavailable to millions of citizens because they cannot afford to pay for it and they do not have insurance that will pick up the bill for them.

This is a relatively new problem, brought on largely by technology. In earlier years when treatments were more limited, people who became ill either got well or died with limited assistance from physicians. As medical knowledge advanced, it became accordingly more expensive. Today, a major illness can mean financial devastation for an uninsured or underinsured person.

Health insurance plans were rare prior to the 1930s; people simply paid their medical bills as necessary and as best they could. Hospitalization plans came into being during the Great Depression, in part as a marketing effort on the part of medical facilities that were losing revenue in those tough times. People bought their own plans until after World War II, when company-provided health insurance became common.

Today, most workers have come to expect health insurance from their employers, but skyrocketing premiums are forcing companies to re-examine their benefit policies. Some are asking employees to contribute a larger share of the premium, to accept higher deductibles, or are reducing benefits in other ways. Many small businesses simply do not provide insurance at all, and the cost of private-policy premiums is out of reach for most middle-income Americans. An estimated 90 percent of America's uninsured are working people; they earn too much money to qualify for government aid, but not enough to buy insurance or pay the bill for a hospital stay.

What's the answer? An often-suggested solution is a national health care system similar to Canada's, which is administered by the government and funded through income and payroll taxes.

That every Canadian has access to medical care is admirable, but the system is not without its faults. Reports of long waiting lists for surgeries such as coronary bypass, hip replacement and cataract removal have become common in Canadian newspapers, as have reports of hospitals closing beds temporarily in order to conserve funds. Acknowledging that waiting lists for heart surgery are too long, at least two provinces have agreed to pay for Canadians to have the surgery performed at U.S. hospitals. And doctors are expressing increasing concern that the quality of care is eroding due to ever more restrictive budgets.<sup>2</sup> The Canadian system is also slow to adapt to changing technologies, since doing so almost always represents additional expenses, and the government's primary focus is on constraining costs.

What's more, if such a system were implemented in the United States, it would be run by the same government that can't balance its current budget and is in debt nearly \$4 trillion, the same government that gave us IRS regulations and \$600 Department of Defense toilet seats. Clearly, the answer to the U.S. health care crisis is not a national system.

Just as clearly, something must be done. But this is a complicated issue with complicated solutions — solutions that begin with each individual in America.

- Personal behavior. No matter how accessible and affordable health care becomes, too many Americans have distinctly unhealthy lifestyles. They smoke, they abuse alcohol and other drugs, they consume diets high in fat and low in fiber, they don't exercise. They then expect medical science to cure them of the ills they have brought on themselves.

America's health care system will never be "fixed" until the attitudes of the people change.

- Active participation in medical treatment. Americans purchase no other commodity as blindly as they do medical care. Patients have the right and the obligation to ask questions, challenge decisions, make suggestions and even shop for prices.

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<sup>2</sup> "Canadian Health Care: The Implications of Public Health Insurance," a research bulletin by Edward Neuschler, Health Insurance Association of America, June 1990, 3.

- Preventive medicine. Preventive care should be the foundation of our health care system. We need to shift some of the emphasis from caring for the sick to maintaining the health of the well. For example, insurance companies could offer incentives in the form of premium rebates to clients who do not file claims.
- Prenatal care. We need programs in place to provide prenatal care for all women, regardless of their status. Studies have shown that for every dollar invested in prenatal care, society saves as much as six dollars in costs later on. Ideally, every woman would recognize and act on her responsibility to her child by seeking prenatal care as soon as she learns, or even suspects, she is pregnant. The reality is that it doesn't happen that way, and every one of us is paying the bill for low-birthweight babies who consume millions of dollars in medical care that could have been avoided.
- Eliminate government red tape. One reason many poor people do not seek preventive care, or wait until a minor illness has escalated into a major crisis, is the barrier thrown up by applications for public assistance. Former U.S. Surgeon General Dr. C. Everett Koop said that when the General Accounting Office looked into the matter of poor prenatal care for women, they found the major reason poor women did not receive such care was government red tape. He added, "Applications for public assistance can run as long as 40 pages, and they're rejected up to 70 percent of the time — not because of ineligibility, but for minor technical errors."
- Realistic expectations. Too often, Americans expect a perfect outcome of every medical experience, and such expectations are simply unrealistic. Medicine is not magic, and nature does not always conform to our wishes. In spite of our best efforts, there will always be babies born with birth defects, diseases we cannot cure and treatments that don't work.
- Measure outcomes. Medical facilities should monitor results and share that information among other facilities and with consumers. This allows doctors and hospitals to identify and correct problems and to evaluate the appropriateness of certain treatments. "Some researchers say that perhaps 30 percent of the procedures used for treatment and even diagnosis may not be necessary," Dr. Koop said. "If they're right, the savings could be as high as 50 billion health care dollars a year."

- Reduce administrative costs. Our health care administrative costs are the highest in the world. With the information management technology we have at our disposal, this is unconscionable. Dr. Koop believes if insurance companies would adopt unified claims forms and process those claims electronically, administrative costs would be cut by one-third immediately.
- Add dignity to publicly funded providers. Public clinics should not provide services to low-income clients for free. Payment of even one dollar gives value to the service and encourages responsibility on the part of the client.
- Untie health insurance from employment. The burden of providing health care should not be borne by business; it is an individual responsibility. What's more, Americans should have portable medical protection so they can change jobs without worrying about losing coverage. Employers can opt to provide the benefit of paying premiums while leaving the individual ultimately responsible for carrying the most appropriate insurance.
- Tax incentives. Individuals who buy their own insurance should receive the same tax deductions businesses do; Congress could easily make this change in the tax code.
- Tort reform. Today's intensely litigious atmosphere forces doctors to practice defensive medicine — that means more tests, more procedures and higher costs. Dr. Koop said, "Doctors are doing things because three years from now they want to have the right answers when they are on the stand with their patients as a plaintiff." Tort reform, coupled with more reasonable patient expectations, could significantly reduce medical costs.

We have the means to conquer the health care crisis in America, and we can do it within the private sector with the acceptance of individual responsibility. Government can help by providing coordination, encouragement and tax incentives — but then it should stand back and let the fundamental strength and initiative of the American people do the job.

### **We have to stop meeting in court**

America has become the most litigious society in the world, quick to take our problems to court, and slow to accept responsibility for the basic risks of life. It's much easier to address perceived injustices with laws and to manage risks with lawsuits than it is to take control of the factors that affect our lives. Insurance companies and large corporations are seen as "deep pockets" — entities with

plenty of money that are easy targets. Lloyds of London estimates 90 percent of its claims are made in the United States, but only 12 percent of its business is here. As we write, this famous insurer is fighting financial collapse — a collapse that may well be caused in part by the fact that two-thirds of the lawyers in the world practice in the United States. Between 1984 and 1989, applicants to ABA law schools increased by more than 50 percent<sup>3</sup>, and every year our law schools graduate as many lawyers as exist in all of Japan.<sup>4</sup>

*Orlando Sentinel* columnist Charley Reese calls lawyers “argument-makers-for-hire” and suggests that dueling was a more efficient, less expensive dispute-resolution system. But since we have become too civilized for dueling, we instead head to court, where lawsuits, countersuits and appeals can drag a dispute out for years and the primary beneficiaries are the attorneys involved.

Such litigiousness has far-reaching effects, both on the emotional health of our society and on the cost of goods and services. We’ve discussed how doctors feel forced to routinely order excessive and unnecessary tests to protect themselves from malpractice suits. But the problem goes beyond medicine and exists in every industry, since no segment of our society has found itself to be immune from our “sue ‘em” mentality. And even when a defendant prevails in a lawsuit, the cost of fighting has become prohibitive, and companies have no choice but to pass those expenses along to customers. Sometimes it’s less expensive to avoid the fight.

In one case, a manager who built a methodical case of substandard, careless performance against an employee submitted his documentation to the corporate office for approval to terminate the individual. The file included a record of numerous verbal and written warnings, counseling sessions, complaints from customers and other documentation. But the corporate office refused to authorize the firing because the worker was black and there was a chance he might sue for discrimination. Even though he had no legitimate grounds, such a lawsuit would have cost the corporation more to fight than it would have cost to simply let the ineffective worker continue collecting a paycheck indefinitely.

Many businesses are more concerned with avoiding lawsuits than with operating their companies. Lee Iacocca said, “A small company in Virginia that

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<sup>3</sup> Law School Admission Services, National Statistical Report 1984 – 1985 through 1988 – 1989; information provided by the Office of the Vice President, August 1991.

<sup>4</sup> Martin K. Starr, ed. *Global Competitiveness* (New York: W. W. Norton & Co., Inc., 1988) 17.

made driving aids for handicapped people went out of business because it couldn't afford the liability insurance. Too risky. Hardly anyone makes gymnastics or hockey equipment anymore. Too risky. We've virtually stopped making light aircraft in this country; the biggest cost is the product liability. Too risky. One day, we're going to wake up and say, 'The hell with it — competing is just too risky!' Why even try to build a better mousetrap? Let somebody else do it — and then sue him."<sup>5</sup>

Of course, not every lawsuit goes to court. Many out-of-court agreements are reached largely by the motivation that it costs less to settle than to litigate, regardless of where true liability lies. But the message being set is that individuals are rewarded by filing lawsuits. Consequently, people are quicker to sue, preferring to use the courts rather than looking for alternative methods to real or imagined grievances.

The results are excessive precautions by both businesses and individuals (such as the homeowner who refuses to allow neighborhood children to expand their ball game into his yard because if one of them were accidentally injured on his property, he could be sued), higher prices to consumers, a serious dampening of the entrepreneurial spirit and a general cynicism casting a shadow on our lives. Innovative, imaginative business ideas usually involved some sort of risk, but risk-taking is clearly more costly in the United States than elsewhere. There is also no denying that the majority of American attorneys are intelligent, talented individuals with abilities that could be used more productively in other areas.

A side effect of our abdication of personal responsibility is an ongoing quest for a risk-free environment, which hobbles us in every aspect of our lives. Almost half of all U.S. manufacturers have withdrawn products from the market due to liability issues, and one out of every seven companies has laid off employees for the same reason. Every year Americans spend an estimated \$300 billion on legal fees, court costs and individual time and effort in litigation.<sup>6</sup>

What can be done? First, as individuals we must accept the fact that life is not without risks. Technological advances, particularly those in the medical arena, involve risk. There is an element of risk in everything we do; sometimes bad things

<sup>5</sup> Lee Iacocca, quoted in *Reader's Digest*, Dec. 1991, 164.

<sup>6</sup> The President's Council on Competitiveness, *Agenda for Civil Justice Reform in America*, Fact Sheet, Aug. 13, 1991.

happen that are no one's fault. We must stop looking for a scapegoat for every single misfortune.

Second, our civil justice system is in need of major reforms. Here are some areas where suggested action would prompt immediate results:

- Increase availability of alternative dispute-resolution techniques, such as early neutral evaluation, mediation and arbitration. More than 92 percent of all civil lawsuits are settled or otherwise disposed of prior to trial, which suggests that if litigants have the proper vehicles, their disputes may be resolved amicably, quickly and inexpensively without involving the courts.
- Reform the discovery process, which is the pretrial investigation of the facts. Parties should be required to disclose basic information relevant to the case, and then formulate a discovery plan within predetermined numerical limits. This would give litigants access to necessary information without providing them with a vehicle to impose needless costs on an opponent.
- Make the loser pay. Our current system often requires that plaintiffs and defendants pay their own legal fees. Plaintiffs who lose cases should be required to compensate the defendant(s) for legal fees, and that burden should be shared by the plaintiff's attorney. Such a policy would greatly reduce the number of frivolous lawsuits, and encourage alternative dispute resolution.

### **An area of leadership we'd like to give up**

An area where the United States remains an undisputed leader is one in which we would rather not: crime. Our rate of crimes, prosecutions and incarcerations keeps us on par with or well ahead of other industrialized nations.

The economic and emotional cost of crime is tremendous. Former Colorado Governor Richard Lamm observed, "No other society requires its citizens and businesspeople to spend as much on burglar alarms, security officers and internal security. American business in one recent five-year period had to hire 602,000 security officers an expense that must be added to the overhead of American goods."<sup>7</sup>

When measuring crime by examining the broad array of available statistics, it's important to remember that an estimated two-thirds of all crimes go unreported.

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<sup>7</sup> Starr 29.

Even so, the crime rate (based on offenses known to police) and the victimization rate (based on surveys conducted by the Bureau of the Census) have historically tended to mirror each other. The last three decades have seen a steady increase of all types of crime. The overall crime rate peaked in 1980, declined until 1985 and then began to climb again, due primarily to the introduction of crack cocaine into the American drug scene.

Of course, “crime” is a broad word encompassing a wide array of unlawful behaviors, including theft, fraud, assault, illegal drug sales and use, rape, murder and more. But in every category, in almost every instance, there is evidence that crime is the direct result of a dysfunctional society, and the problems are so deep it is beyond both the realm and capability of the criminal justice system alone to cope.

When compared academically with other systems in the world today and in history, the contemporary American approach to arrests, criminal investigations, trial procedures and punishment is both admirable and idealistic, promising justice for all. The reality is quite different. Our system is bogged down; even with the partial relief obtained from plea bargaining, courts are jammed, police agencies are understaffed and underfunded, and there is not enough room in our prisons to house those sentenced to incarceration.

Clearly, our current system is not working, and more of the same isn’t likely to work any better. But the situation is not hopeless.

**The key to crime prevention.** Too many Americans see crime prevention as personal safety awareness, security systems, guards and so on. That’s not crime prevention; it’s crime shifting — sending criminals to those who are less prepared to resist them. Criminal activities are the outward manifestation of more serious societal problems, and the key to crime prevention is in reaching people before crime ever becomes an option in their lives. This can be done by strengthening our families and incorporating a stronger sense of values into our educational curricula, beginning with toddlers in daycare centers.

Lyndon B. Johnson put it well when he said, “Ignorance, ill health, personality disorders — these are destructions often contracted in childhood; afflictions which linger to cripple the man and damage the nation.”<sup>8</sup>

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<sup>8</sup> Quoted in *A Vision for America’s Future, An Agenda for the 1990s: A Children’s Defense Budget* (Washington, DC: Children’s Defense Fund, 1980) xiii.

It is becoming increasingly apparent that children are growing up without learning to respect personal property and, even more horrifying, without learning to value human life and feelings. A classic example is the case of the Central park jogger, who was raped, beaten and left for dead by a group of juveniles out for a night of “wilding.” When they were caught, they were laughing about what they had done.

When another gang of black youths in New York City wanted to go to a nightclub but didn't have the money, they decided it was time to “get paid.” But their idea of earning money was not from working but from stealing, and their target was a family visiting from Utah. During the robbery on the subway, the son was killed — stabbed when he tried to protect his mother.

As tragic as both of these incidents were, the boys involved are not unique. From 1979 to 1988, the number of people under 18 years of age charged with murder and non-negligent manslaughter rose 16.2 percent, a sharp contrast to the 2.6 percent increase among those 18 and older. During that same period, the number of arrests of people under 18 for forcible rape was up 5.9 percent, and for aggravated assault the increase was 15.8 percent.

These are the youngsters born to the same families we discussed in chapter four — families all over America that are floundering in their efforts to cope with a rapidly changing social and economic environment. And without immediate intervention, they will be doomed to perpetuate the cycle they have begun, rendering all the textbook ideals of American criminal justice absolutely meaningless.

The real solution to crime in America is not behind prison bars, but rather playpen bars. It lies in teaching youngsters to respect themselves too much to abuse drugs, and to respect others too much to cheat or steal from them. It lies in incorporating basic values, a sense of right and wrong, into lessons from the nursery on. It lies in focusing on antipoverty programs with the ultimate goal of wiping out the economic underclass. It lies in giving the disenfranchised the skills and information they need to join our society at a productive level, rather than allowing them to continue to bleed taxpayers in general and individual crime victims in particular.

**Alternative sentencing: making punishment prevent crime.** There is overwhelming evidence that jails and prisons create crime rather than prevent it. A study tracking state prisoners released in 1983 showed that 62.5 percent were

rearrested within three years, 46.8 percent were reconvicted within three years, and 41.4 percent were reincarcerated within three years — hardly a glowing recommendation for incarceration as a solution to crime.<sup>9</sup>

If our goal is, as it should be, to rehabilitate whenever possible, then we must come to terms with the fact that incarceration is not working. Victims are generally not compensated for their losses, the public feels unprotected and offenders are dehumanized by their prison experience, which also makes them prone toward repeating their criminal behavior.

Alternative sentencing allows offenders the opportunity to make some atonement to society for their actions, rather than sending them to jail at the public's expense. What's more, alternative sentencing provides us with a vehicle to restore credibility to the punishment side of our judicial system. If a criminal sentenced to five years in jail knows he is likely to be back on the streets in two (and whether or not that is true, it is certainly the perception of the process), he is not likely to concern himself at great length with any type of reformation or with the damage done to his victim(s). At the same time, while he's in jail, he'll likely be perfecting his criminal skills. If, instead, the sentence includes restitution, community service and education, the chances of repeated criminal activity are significantly reduced. And certainly one way to help unclog our crowded court system is to minimize the number of times an individual passes through it.

Probation is the original alternative sentence, invented by a Boston shoe cobbler in the mid-1800s. The Supreme Court has said that probation provides a means to insulate certain offenders who are well-suited to rehabilitation from the contaminating influence of prison, and joined a lower court in referring to probation as "ambulatory punishment." Probationers are required to obey all federal, state and local laws, and may be asked to pay a fine, make restitution to the victim of the offense and/or work in court-directed community service. The court may also order the probationer to support his dependents and meet other family responsibilities; work at suitable employment or pursue a course of study or vocational training; refrain from participating in specific activities or frequenting locations related to the offense; undergo medical, psychiatric or psychological treatment; or other conditions deemed appropriate to the situation.

Carefully thought-out alternative sentences seek to accomplish the same goals as traditional sentences without relying on long-term incarceration. Prison and jail

<sup>9</sup> Sourcebook of Criminal Justice Statistics, 1989, Table 6.80.

terms tend to address just one goal, that of punishment, while alternative sentences may also include reparation and rehabilitation. Restitution for the amount of damages should be an automatic part of any guilty verdict, regardless of the rest of the punishment. The idea is to teach offenders responsibility for their actions, while court-ordered education may give them the knowledge they need to pursue a lifestyle that doesn't include crime.

**Dealing with the drug problem.** It's painfully apparent that traditional methods of attempting to halt the flow of drugs into the United States and punishing drug users and dealers are not winning the "war on drugs." Is more of the same going to help? We don't think so. And does the "war on drugs" mean the person who smokes marijuana occasionally is our enemy? More than likely, he's our friend and neighbor. (It's interesting that Americans tend to see societal problems as wars to be fought and won.)

Drug use and abuse is a medical problem, and the courts are not the place to address medical problems. Education is the solution. Unfortunately, it's not a quick fix, but over a period of time, it will work.

We are seeing positive trends in the number of people who smoke and use other tobacco products, people who abuse alcohol and, gradually, people who abuse drugs. In fact, 65.2 percent of the young adults (19 to 22 years old) surveyed in 1980 thought regular cocaine use was a "great risk"; by 1990, that figure was up to 93.9 percent. Regarding regular marijuana use, 43.9 percent thought the risk was great in 1980; in 1990, 73 percent felt that way.<sup>10</sup>

Drug prohibition gives value to what are otherwise worthless substances. Americans were not generally consumers of hard liquor — they preferred beer — until Prohibition made it a forbidden fruit. At the time, the serious medical consequences of alcohol abuse weren't completely understood, so the issue was approached from a moral standpoint — and the moralists lost. Prohibition was eventually repealed, but not until Americans had acquired a taste for liquor, and it would be decades before we understood and accepted the practical and logical reasons for not drinking to excess.

We are not advocating the wholesale legalization of drugs, but rather the realization by law enforcement agencies that drug abuse is a medical issue and should be treated as such, and that the key to prevention is education, not more

<sup>10</sup> Sourcebook of Criminal Justice Statistics, 1990, Table 2.68.

laws and jails. Just as we ought to be teaching youngsters proper diet to avoid health problems as they grow up, we should be teaching them proper use of drugs — which is that some drugs are good and necessary, and others should be avoided. We should be giving people the information they need to make responsible decisions for themselves, and then encourage them to do just that.

Eric Sterling, president of the Criminal Justice Policy Foundation, said, “The illegal drug laws are based on a simple premise: The American people are too stupid to know what’s dangerous, and too lacking in self-control to avoid dangerous habits.”<sup>11</sup> It’s an insulting supposition.

Rather than continuing our efforts to combat drugs with traditional law enforcement methods, we need to expand and enhance programs that seek to reduce drug use and related crimes by teaching self-esteem, virtue and law-abiding in the home and the schools.

**Empowerment works.** One very effective program has been turning the management of public housing projects over to the tenants. By encouraging these people to take control of their own lives, they have become empowered, and have demonstrated tremendous success with cleaning up their projects and throwing out the drug dealers. The children who live in these projects face a much brighter future than those who have the misfortune to grow up in run-down, crime-ridden housing.

That too many Americans have slipped through the cracks and been lost to crime is not debatable; it is simply true. Our job now is to rescue the current generation by restoring the institutions necessary to create a productive, law-abiding society.

### **If it’s so bad, why don’t we just give up?**

In spite of what seems like an overwhelming list of problems, the United States remains the world’s first choice as a country where human potential can be maximized. Unfortunately, we’ve taken a few wrong turns, but we can get back on track.

Throughout this book we’ve looked at specific issues and offered solutions, but improvements won’t begin to actually occur until a social, political and economic agenda for change is created. When that happens, we will see the most positive

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<sup>11</sup> Eric E. Sterling, speaking at the Colorado Bar Association Board of Governors Meeting in Boulder, CO, April 13, 1991.

manifestation of “trickle down” that could ever be imagined, as the repair of major problems automatically corrects minor problems.

The 20th century began on an optimistic note, with promises of scientific and technological advances, industrialization, international peace and economic prosperity. Yet this was the century that saw two World Wars and the Great Depression, and untold numbers of lesser events in which the toll of human suffering is inestimable. We have time, though, to prepare a better world for the 21st century.

We also have a new breed of citizen who will take up the challenge.

CHAPTER 9

**Restoring the American Dream:  
The Birth of the Paladin**



Ten Points

1. You cannot bring about prosperity by discouraging thrift.
2. You cannot strengthen the weak by weakening the strong.
3. You cannot help small men up by tearing big men down.
4. You cannot help the poor by destroying the rich.
5. You cannot lift the wage earner up by pulling the wage payer down.
6. You cannot keep out of trouble by spending more than your income.
7. You cannot further the brotherhood of man by inciting class hatred.
8. You cannot establish sound Social Security on borrowed money.
9. You cannot build character and courage by taking away a man's initiative and independence.
10. You cannot help men permanently by doing for them what they could and should do for themselves.

*Unknown (Erroneously attributed to Abraham Lincoln)*

**C**orrecting America's ills may seem like an insurmountable task, but in fact it is not. What's more, the process does not have to be a lengthy one. The last decade in particular has shown us how dramatic changes can occur quickly — for example, the unification of Germany, desegregation in South Africa, the fall of communism and corresponding rise of democracy and free enterprise in Eastern Europe and changes in the Soviet Union. These were changes of a tremendous magnitude with far-reaching consequences, and they didn't take long. There is no reason to assume that we cannot accomplish similar triumphs in America.

The key is one of attitude. If we believe that our problems have become too complex to solve, that no one individual can make a difference, that it has taken decades for current difficulties to develop and will therefore take an equal amount of time to reverse them, then that is indeed how it will be. If, on the other hand, we believe that there is no problem we can't solve, that individuals can have an impact, and that quick, efficient action is possible, then that scenario will become the reality.

There is a psychology at work based on the measurement of time that is causing Americans to pause and take serious stock of their own lives and how they fit into the larger picture of community, nation and world. As we approach the third millennium, we are witnessing the birth of the new Paladin, the emergence of the rugged individualist who will apply a sense of purpose and birthright to the operation of business, government and social issues, who will go beyond self-serving profits by melding personal benefit with overall benefit to the people, the country and America's global position.

This individual believes in the contemporary concept of Manifest Destiny, an updated version of the energy which propelled America westward across the continent during the 19th century. This individual is motivated by the idea of turning the vision of our Founding Fathers into a reality, by the prospect of a self-controlled society where only minimal government is needed or wanted, by the opportunities for fulfillment which abound in a system based on freedom, free enterprise and personal responsibility.

The original Paladins were peers of Charlemagne, the first emperor of the Holy Roman Empire. Charlemagne was considered a model for Christian rulers throughout the Middle Ages, and is especially remembered for his encouragement of education. His Paladins represented all that was good and virtuous of his empire, knights of compassion, intelligence and strength.

Today's Paladin is no different. He or she is an individual — and entrepreneur — who combines commercial astuteness with political savvy, farsighted leadership with hard-nosed appraisal of circumstance. Today's Paladin understands where America is and how it got there; but most importantly, today's Paladin understands where America must go to remain relevant as a power in the 21st century.

Today's Paladin understands America's troubles and her successes, and has a plan of action for the future.

Today's Paladin recognizes that the 19th-century notion of Manifest Destiny might have been fraught with parochial and presumptuous self-indulgence, but he or she also recognizes that no heretic alive can prevent the influence of a mission powerfully communicated.

The Manifest Destiny associated with the 21st century is not related to the expansion of territorial boundaries or the shameless exploitation of natural resources. Our Manifest Destiny, implicit in the 21st century, understood by the Paladins of today, comes from an inherent recognition that America rightfully deserves to be a global leader.

No system in history has fared better. No system of government has been as stable. No thought process has been deemed to be as fulfilling or creative as that inspired by the American Experiment of our Founding Fathers.

Today's Paladin must lead, not merely encourage, our fellow Americans in the pursuit of that Manifest Destiny, knowing full well the obstacles created during the past 40 years.

Today's Paladin will bring the spirit and energy of Charlemagne to the 21st century, serving as a leader for both America and the world.

Today's Paladin is committed to preserving the United States' destiny as a world leader and role model by applying the principles of personal responsibility to American institutions and restoring their strength and purpose.

## **Government**

The U.S. government of the 1990s bears little resemblance to the dreams of the Framers of the Constitution. This huge, unwieldy, debt-ridden monster is our fastest-growing industry — and the most dangerous enemy we face. Reform is essential if we are to preserve the American Experiment. We must:

- Balance the budget and eliminate the deficit by cutting spending. No organization can survive if it continues to spend increasingly more than it takes in. Even more important is that we have no right to burden future generations with such massive debt. A balanced budget and deficit reduction go hand-in-hand, and can be accomplished by legislators willing to make the sacrifices.

Spending can be reduced in two ways: first, by eliminating government waste — and that broad brush includes the pork barrel projects funded by Congress; the inefficiency, duplication and lack of accountability that riddle government agencies; and the excessive regulations that serve no purpose except to increase costs. Second, by phasing out entitlements, by developing programs that reward individual industry and initiative, not sloth and laziness. We don't need to provide welfare; we need to provide people with skills they can take to the marketplace and assistance in making the transition from dependence to self-support. A program shifting welfare funds to training (and retraining for displaced workers) funds would reduce the need for, and the amount of, government handouts in a few short years.

- Restore credibility and integrity to Congress. It makes sense that we don't trust an institution we don't understand, and Congress — with its archaic seniority system and labyrinth of committees — is a mystery to most Americans. Campaign reform and term limitations will be the catalyst to make Congress truly representative of the people.
- Bring the excitement back to elections. For too many Americans, politics are boring and election day is no different than any other. Real choices on the ballot is the only answer to voter apathy. There are two ways to accomplish this: first, with term limitations. Second, give voters a “none of the above” choice on the ballot. If “none of the above” wins, the candidates lost — and a new election with new candidates must be held.
- Privatize government services wherever possible. Privatization has proven to reduce costs and improve the quality of service. There is no reason why trash collectors, cafeteria workers, computer operators or even administrators must be employed by the government in order to do government work. It is unthinkable that the government of a free enterprise system would not encourage that system by privatizing as much as possible.

- Reform the tax structure. Our current system penalizes productivity and savings. The answer is to eliminate income tax and establish use taxes in the form of value-added, excise and sales taxes.
- Eliminate the minimum wage. It is not the government's place to dictate wages; it is the responsibility of each worker by virtue of the skills and talents they bring to the company to negotiate their own compensation package, either individually or through collective bargaining. Moreover, minimum wage contributes to inflation. Eliminating the minimum wage will give employers incentive to hire and train unskilled, disadvantaged workers. Under certain circumstances, the government may choose to temporarily subsidize the wages of such workers until they have reached a skill level where they can command a higher wage. In this situation, we are replacing welfare with employment, education and — most importantly — freedom.
- Review existing laws with an eye for repeal and keep business regulations to a minimum. Competition is the best regulator, and businesses must have the freedom to operate within their chosen markets as best suits their needs, unencumbered by government interference.
- Demand that government at all levels respect the privacy of citizens. Privacy is an integral part of personal responsibility. A natural benefit of smaller government is less intrusion, but citizens must make it clear to legislators that this is a desired goal, not an incidental by-product. Eliminating income tax, for example, would mean we would no longer have to report personal details of our financial dealings to the government.
- Demand laws and policies that are not contradictory or self-defeating. A classic example of an area needing swift attention is in the tobacco industry. On one side, our government condemns the use of tobacco and restricts its use in public places, while on the other side this same government provides subsidies for its production, encourages its export and pays the medical expenses for those who depend on the government for health care and suffer tobacco-related illnesses.
- Insist that charity not be forced through taxes. Too many Americans have become willing to relinquish their own responsibility to fellow human beings by accepting the existence of welfare programs and funding them through taxes. Left alone, Americans are generous, and as they prosper, they share their wealth. When individuals are allowed to keep more of the fruits of their

labor, they give more away. Communities around the nation have proven the natural generosity of our citizens during budget cutbacks when people responded quickly and enthusiastically to the needs of schools, libraries, homeless shelters and so on.

George Roche points out: “[G]overnment cannot do good for us because it has no resources of its own to do good with. It cannot give to one what it does not first take from another. The taking is fundamentally unjust — a denial of your basic right to the fruits of your labor. Liberals can think of a thousand and one reasons why somebody else needs your money. So can a six-year-old. That does not change the fact that it is your money. You earned it. If you want to give some of it to the needy — and Americans are the most generous people on earth — that is your right and no one else’s.”<sup>1</sup>

Edward Crane of the Cato Institute said, “The principles of limited government and individual liberty are just and they work. Where they are employed human beings prosper and live more fulfilled lives. Where they are not, the human condition suffers.” The American Experiment is proof of this observation, and today’s Paladin will do what is necessary to keep the Experiment alive.

## **Business**

Business has long been a primary vehicle of self-expression for Americans, and no other country can boast as many rags-to-riches stories as the United States. Some changes are essential if we are to maintain domestic prosperity and international leadership. We must:

- Restore the productivity edge of the American worker. As individuals develop a stronger sense of pride in and responsibility for end results, we will see a surge in productivity. Business leaders can help by working to establish mutually supportive employer/employee relationships with programs that clearly recognize and blend the needs of the worker and the needs of the company.
- Develop long-term plans and programs. Managers and executives must reach into the future in a new way if their companies are to survive and thrive. Long-range planning is a business equivalent to the acceptance of personal responsibility.

<sup>1</sup> Roche 137.

- Regain our sense of economic self-esteem. The negative messages of the doomsayers have seriously damaged our pride in our business systems. Increased productivity, compassionate employers, long-term plans that will allow us to build a sense of security and minimal government interference will result in the economic strength the American psyche needs.
- Fortify our international economic position. We are part of a tremendous global marketplace, and we can no longer afford isolationist attitudes. Every American must learn and continually sharpen the skills necessary to operate in the international arena.
- Develop family-oriented policies and programs. Recognizing the value of the family will contribute to increased productivity, a more positive image and greater profitability.

Businesses have a responsibility to more than just their bottom line. They are obligated to fair and mutually beneficial relationships with stockholders, employees, customers and the entire community in which they operate. Today's Paladin will go beyond corporate balance sheets and restore true vitality to American business.

## **Family**

The family unit has changed significantly over the past four decades, but it has not kept up with its own evolution. Even so, the need for a sense of family is inherently human and must be preserved. Indiana Senator Dan Coats said, “[I]t is in families that children learn the tools of economic success and moral restraint. It is in families that they learn honesty, self-respect, compassion and confidence. Families are the school of first instruction.”<sup>2</sup> We must:

- Recognize the societal contribution and needs of the family. As a source of essential affection and intimacy, as a basic economic unit, as the primary place for producing and socializing children, the family plays a key role in our society. This role cannot be ignored or dismissed as unimportant, but must be treated with the respect it needs and deserves.
- Work within various community levels to build systems that will respond to the needs of contemporary families, including child care, elder care,

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<sup>2</sup> Dan Coats, as published in *Imprimis*, the monthly journal of Hillsdale College, Sept. 1991.

shifting family structures, changing moral and social values, and ever-evolving emotional and economic requirements.

Today's Paladin understands that the solutions to problems of the family are not centered on government and business, but lie primarily within the context of family itself and the larger community of which it is a part. Today's Paladin will lead his neighbors on a campaign to end the social isolation which is a key cause in preventing families from reaching their maximum potential.

## **Education**

Tomorrow belongs to those who have knowledge. We have the resources to elevate the masses to positions currently held by an elite few, but it can only be accomplished through education.

We must:

- Revise curricula to prepare students for the world they will face tomorrow, not the one their parents prepared for. Adaptability, flexibility and problem-solving are all techniques that can be taught, and they must be incorporated into the education experience at an early age.
- Make self-esteem and values an integral part of every curriculum. Both common sense and practical experience tell us of the benefit of this approach. It's time to stop talking and start doing.
- Use creative instruction methods that take advantage of evolving technologies. We can no longer afford to lose even one child to ignorance. If one technique doesn't work, we should try another. Since human beings are creatures of habit, we must be able to recognize ruts that prevent us from reaching our goals.
- Invest in our gifted students. In our zeal to provide programs for the culturally disadvantaged and learning-disabled, we have all but overlooked the students at the other end of the spectrum. We must stop teaching to the lowest common denominator and create educational paths that will meet the needs of all students — especially the best and brightest of America's future.
- Address the administration problem in public schools by returning control to the lowest possible level: teachers and principals. Empowering individuals to do the best they can produces remarkable results — and it also saves money by eliminating unnecessary bureaucracies.

- Establish national standards to measure progress. Taxpayers have the right to know what they are getting for the money they invest in education. Students and parents have a right to know how the service they are receiving measures up against other schools. The only way to identify this information is through national standards.
- Involve families and businesses in the education process. Schools do not operate in a vacuum, and they have the potential to teach beyond their registered student population. The interaction of families and businesses with the education process will strengthen the social and economic structure of the community.
- Shift the emphasis from college degrees to job preparedness. Though knowledge is the key, it must be practical, and the user must be able to apply it to contemporary life. Businesses can coordinate with learning institutions to develop programs that will produce productive people ready to take a responsible place in society.
- Privatize whenever possible. Education, like other government services, will benefit from increased privatization.
- Give parents and students a choice in what school they will attend. To deny educational choice is to defeat the purpose of education for all. Choice and privatization will bring the best of the free market system into education, producing citizens who are knowledgeable and motivated.

Education reforms will allow us to return to the goal of the designers of our public system — that is, to provide a strong, quality education for everyone. Today's Paladin recognizes the need for this goal and will work from the grassroots level up to accomplish it.

## **The Media**

The most shining example of an American institution, the media needs little correction but continual protection. We must:

- Recognize the critical role of the media in our lives. The media are our primary source of information about events beyond our immediate sphere of existence. The messages they bring provide us with knowledge necessary for continued growth.
- Let the free market, not censorship, dictate what is broadcast and published. Americans have the right and responsibility to choose what we

watch, listen to and read — and we should not attempt to inflict our choices on others.

- Deregulated broadcasting. In spite of the tremendous public benefit, the media are private enterprises. To ensure their continued success and service to the American public, they must be able to operate in an environment of limited regulation.

The media have served America in a unique and compelling way. Without the First Amendment, we would not be the great power that we are, and we must continually be on guard against those who would infringe on our rights to a free press and freedom of expression.

## **Religion**

Religion has always played a key role in the lives of the majority of Americans, but the attitudes and activities of some churches are cause for concern. We must:

- Use religion as a vehicle to teach virtue and morality. Religious institutions have a tremendous opportunity to instill a fundamental sense of right and wrong in their members that is essential to the assumption of personal responsibility.
- Recognize the importance of the separation between church and state. The Founding Fathers understood the need for individual autonomy when it comes to religious practices. It is an autonomy that must be preserved.
- Use religion to build personal responsibility rather than abdicate it. One of the natural purposes of any religion is to provide comfort and solace to followers, but it should not be at the expense of personal responsibility.

Coat observed, “The church plays a crucial role in the cultivation of moral worth...[I]n American history, religion has been the foundation for private morality and public virtue. The church is a community of character where virtue is taught and celebrated, where moral worth is instilled through instruction and discipline.”<sup>3</sup> The value and strength of religion are undeniable, but it is energy that must be positively directed if we are to receive maximum benefit from it.

These are the institutional changes that will be the catalyst for other necessary societal changes, that will provide us with the foundation we need to reduce poverty, reduce crime, make health care available for everyone at a fair and

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<sup>3</sup> Coats.

reasonable price and assure richer, fuller lives for ourselves and our children. Coats said, “Every culture depends, from moment to moment, directly on individuals who will act with integrity. Keeping the law, respecting life and property, loving one’s family, fighting for national goals, helping the poor, paying taxes — all these depend on individual virtues like courage, duty, loyalty, charity, compassion and civility.”<sup>4</sup>

There is a story of a little boy on a beach, feverishly hurling starfish washed up by the waves back into the water before they died on the sand. An old man came up and asked if the youngster honestly believed what he was doing would make a difference. The boy held up a starfish and said, “It makes a difference to this one,” and threw the creature back into the ocean.

That little boy represents the birth of the Paladin.

The spirit of that little boy is the spirit at work as today’s Paladin makes a difference.

Operating within a local, national and international community, today’s Paladin is willing to make the short-term sacrifices required for the long-term good. And it is today’s Paladin who will use personal responsibility to restore the American Dream for everyone.

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<sup>4</sup> Coats.

CHAPTER 10

**Unfurling the Banner of Manifest Destiny**



*“The energy, the faith, the devotion which we bring to this endeavor will light our country and all who serve it — and the flow from that fire can truly light the world.”*

*President John F. Kennedy,  
inaugural address, January 20, 1961*



*“Deep in its heart the world thinks America is the bravest, sweetest, toughest, funniest place on earth, and for once the world is right.”*

*Peggy Noonan, former speech writer for President Reagan and Bush,  
and author of What I Saw at the Revolution*

The 20th century began on an optimistic note, with promises of scientific and technological advances, industrialization, international peace and economic prosperity. Yet this was the century that saw two World Wars and the Great Depression, and untold numbers of lesser events in which the toll of human suffering is inestimable. We have time, though, to prepare a better world for the 21st century.

That America is the giant that she stands as testimony to the concept of Manifest Destiny — a concept that is still applicable today. As Americans, we have a responsibility and obligation to share among ourselves and with the rest of the world the successes of the American Experiment, the methods we have tried and perfected, the hypotheses we know to be true.

This is indeed America's destiny: not the territorial expansion of an earlier century, but the expansion of knowledge and principles designed to promote human potential. Are we being exceedingly arrogant in such an assumption?

In *The Story of Religion in America*, William Warren Sweet wrote of a "type of pessimism which always arises in times like these... which points the finger of scorn at Christianity and at the church with the accusation that both have failed. And in a sense that is true. The Old Testament is a record of the continuous failure of the religion of the Jews. In the same manner we can also say that democracy has failed, that education has failed, that the family has failed. But Christianity, the church, democracy and education have failed only in the sense that none of them have reached the heights they set out to scale. In another sense they have all grandly succeeded, for humanity has profited from them all, even as they continue to fail."

The American Experiment is not yet a complete success. From Sweet's point of view, it probably never will be. But the journey thus far has been wondrous and thrilling, and the challenges we face today even more so.

"There is no easy way to be an American," observed associate editor Jean Otto in the *Rocky Mountain News*. "No nation in the world requires so much of its people as ours does. No people anywhere have so much responsibility for their own lives and their own futures."<sup>1</sup>

All around us are examples of how individuals are forming the foundation for the metamorphosis of the United States away from a society dependent on its

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<sup>1</sup> Robert J. Wagman, *The First Amendment Book* (New York: Pharos Books, 1991) 42.

government to one which insists that government be dependent on and of service to the people.

Robert Woodson, president of the National Center for Neighborhood Enterprise, summed it up when he said, “The Great Depression, World War II, Korea, Vietnam, the Great Society — through it all, more and more people turned to the government as the ultimate problem-solver. Inevitably, the welfare state expanded far beyond anything the original framers of our Constitution ever envisioned and belied the New Dealer’s assurances that intervention was merely temporary. What began as an ambulance in a dire emergency has now become an entire transportation system.

“[T]oday... that aid has created a poverty industry in America. This industry accounts for hundreds of agencies and thousands of social workers, civil servants, and other professionals whose business literally rides on the backs of the poor... [T]he poverty industry robs poor people of that most precious commodity — dignity — because they are not permitted to participate personally in devising the solutions to their problems.”<sup>2</sup>

We have learned the hard way that treating people as dependents reinforces their dependency, that safety nets often become traps. Of course, society — which is made up of individual members — has an obligation to help people who cannot help themselves. But in our efforts to provide assistance to children, the ill and frail elderly, the disabled and the temporarily disadvantaged, we must not perpetuate a system that encourages and rewards laziness and irresponsibility.

Instead, we must follow the lead of the Paladins who are responding to the call of Manifest Destiny and are living demonstrations of the American Dream.

The Paladins are people like Martha Palubniak, who turned a layoff notice from McGraw-Hill into a worldwide news-gathering service for business and industrial publications called Wordservice International.

Or like David Cowan, an environmentally conscious engineer who designed disk drives for IBM before launching his own company, inch-inc. The company’s product, Inch Packs, are compact disk packages that are cheaper and less wasteful than the box-within-a-box packaging system.

The Paladins are people like Ed Bettinardi, who left a big-company vice presidency to start his own company.

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<sup>2</sup> Robert Woodson, president of the National Center for Neighborhood Enterprise and chairman of the Council for a Black Economic Agenda, in *Imprimis*, July 1988.

Innoventions, which makes a reading device for the visually impaired.

Or like former teacher Valerie Freeman who, when she couldn't find a job in the business world when she decided to stop teaching, founded her own company: Wordtemps, Inc., now a multimillion-dollar corporation.

The Paladins are people like Steve Mariotti, a New York City schoolteacher and president of the National Foundation for Teaching Entrepreneurship. Mariotti teaches hopelessly disadvantaged youngsters how to run their own business — and in the process they learn how to take charge of their lives and to link rewards with their own efforts.

The Paladins are people like Mary Cunningham Agee, who established the Network of Hope, which has a staff of 19, mostly unpaid, and a national network of over 8,500 volunteers to provide help to women facing crisis pregnancies.

Or people like Candy Lightner, who turned her grief over a daughter killed by a drunk driver into Mothers Against Drunk Driving (MADD), a national organization working to correct one of our most serious problems.

The Paladins are people like Kimi Gray, who lives in the 464-unit Kenilworth Parkside Project in Washington, D.C., which used to be one of the worst examples of public housing in terms of violence, poverty and despair. In the early 1980s, Gray began a self-help study program for students to meet weekly and help tutor each other in their respective weak areas. From a project where many youngsters never finished high school and virtually none of them made it on to college, a steadily rising number are heading to universities (more than 580 over a seven-year period), teen pregnancies have been cut in half, welfare dependency has dropped from 85 to 35 percent, and the community is now rated as one of the safest locations in the city. The government didn't do this. The residents, inspired by Kimi Gray, did it for themselves.

The Paladins are people from all walks of life, from every socioeconomic level who believe in the dynamic spirit of the United States, who believe in personal responsibility and who are communicating that message around the world by setting positive examples of the power and strength of free individuals.

Institutions cannot change themselves without the power of action that emerges from a clarity of vision, and the American people are gaining the vision of what this country can become in just one short decade. The primary requirement is the acceptance of our Manifest Destiny as a society of people who are personally responsible for themselves.

In his inaugural speech, John F. Kennedy said, “All this will not be finished in the first 100 days. Nor will it be finished in the first 1,000 days, nor in the life of this administration, nor even perhaps in our lifetime on this planet.

But let us begin.”

Indeed, let us begin... again.