

# Letters

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## What's Wrong with McGovern

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I wish I could express my deep regret that I ever subscribed to your magazine after reading the article, "What's Wrong with McGovern" by Suzannah Lessard [June, 1972]. I haven't read anything by his worst enemies that puts him in such a poor light. Now that we've had such a biased article about the "flaws in our favorite candidate," could we have one about the superb qualities that a lot of us Democrats seem to think he (McGovern) has to qualify him for the Presidency.

You need not expect me to renew my subscription or suggest that others subscribe to your magazine if that article on McGovern is the best that you can do.

Despite Miss Lessard's disparaging description of McGovern, my wife and I still expect to vote for him for the Presidency. That is, unless you do your best to prevent his nomination.

FREDERICK H. ALLEN  
Portland, Me.

### *The editor replies:*

Every person on our staff supports Senator McGovern, but we ran the article because we believe that the liberal press must criticize its own candidates. The failure to do so was, we believe, responsible for such things as the unquestioning atmosphere surrounding the Gulf of Tonkin resolution during the 1964 Johnson campaign.

### *Correction:*

On page 14 of Suzannah Lessard's "What's Wrong With McGovern," a McGovern quotation is said to have been taken from *Washington Post* reporter Hobart Rowan's interview with the Senator. The interviewer was actually the *Post's* William Greider.

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## Abolishing Social Security and Canceling the National Debt

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I was delighted that you published the excerpt from my debate ["Social Security:

The Poor Man's Welfare Payment to the Middle Class," May, 1972]. Several people have inquired as to whether I was also the author of the program to abolish the national debt ["The MacLeish Memorandum," by Taylor Branch, May, 1972]. Regretfully, I had to tell the truth.

MILTON FRIEDMAN  
Chicago, Ill.

*Milton Friedman teaches economics at the University of Chicago.*

Having just read in the June issue of *The Washington Monthly* the inconspicuous acknowledgement that your recent article "The MacLeish Memorandum" concerning cancellation of the national debt was fictitious, I am now trying to find the right words to tell you of my reaction.

In these days of half-truths, lies, secrecy, public and private chicanery, distortion and coloration of facts for selfish and at times even evil purposes, there is an almost overwhelming desire on the part of many of us to find sources of truth to counterbalance this ugly picture.

*The Washington Monthly* was recommended to me as one source in which I might find thoughtful, carefully prepared articles based on fact, not fancy. I wanted to believe this and for that reason have read the few issues sent me with thoroughness, even though there was much in them I didn't particularly like. Nonetheless, in a desire for believable information and points of view I was willing to have my thoughts and ideas challenged. In that light I read "The MacLeish Memorandum." Although it seemed almost incredible, there is so much of the well-nigh incredible bombarding us each day that I found myself convinced, and even discussed the article at some length with others. Now I find it a hoax.

My first reaction was hot anger; but that has passed. What is left is a kind of bitter feeling that once again there is no sure place to turn for truth. You have destroyed my

belief in *The Washington Monthly* so that I can no longer credit its articles and I feel cheated. I've had faith in George Wald—was his article based on untruths, too? The terrible conditions at Buffalo Creek—were they also the figment of Bethell and McAteer's lurid imagination; and since McAteer is a lawyer with Ralph Nader's Center for the Study of Responsive Law, are both Nader and his Center open to suspicion? As you can see, the crack in my armor of faith is growing wider.

DORAS BRIGGS  
Berkeley, Calif.

*The editor replies:*

When we prepared the article called "The MacLeish Memorandum" we were looking for an amusing way to present some serious criticism of the conventional liberal faith in the harmlessness of our ever-expanding national debt. We had no intention of trying to perpetrate a hoax, no idea that anyone would believe our batch of secret documents was real. Yet Mrs. Briggs and several other obviously intelligent readers were fooled. We don't like fooling people and hope Mrs. Briggs and the others we unintentionally misled will accept our apology.

In a time when the outrageously unbelievable so often turns out to be true (at least in regard to the activities of the American government), we should have identified the memo as fiction. It is, by the way, the only fiction we have printed. We intend to do more, but it will be clearly labeled.

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**The Empty Seat War**

I wish to comment on Frederick Thayer's article "The Empty Seat War" (June, 1972). The article seems to make an attempt to defuse the "extraordinary consensus... developed around what can be called the Nader diagnosis" which obviously favors more competition in the airline industry. It further questions the "conventional wisdom" which prefers competition to

monopoly. In support of these seemingly theoretical innovations, Mr. Thayer states that competition, at least in small business, fosters "insecurity of the population" by "building a crazed material single-mindedness that leaves no room for human values or the quality of life."

The article utterly fails to substantiate any of Mr. Thayer's conclusions. In the first place, the competition which Mr. Nader is asking for is in the major routes which are served by a handful of oligopolistic producers. Since the creation of the Civil Aeronautics Board in 1938, the number of trunk airlines has only reduced by mergers and acquisitions. The prices charged by these trunk air carriers are almost double the reasonable prices that would otherwise be available to consumers under competitive

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pricing. If Mr. Thayer's article proves anything, it is that the collusive air carrier regulation has created all kinds of wastes and mismanagement that are characteristics of monopolies or "shared monopolies." Secondly, Mr. Thayer's conclusion that open competition will deprive several communities of existing air services is also erroneous. Most of the smaller communities are presently served by "local service carriers." These carriers are sustained by federal subsidies, which amount to \$68 million annually. At any rate, all these superficial theoretical evaluations are irrelevant to the subject of Mr. Thayer's article, namely, capacity-cutting agreements.

With respect to the three-carrier agreement which reduced the flights by 38 per cent on the major coast-to-coast routes, Mr. Thayer states that "the CAB and the three airlines deserve some praise for taking a hesitant step toward sanity." We disagree, and for sound reasons. We are not persuaded by the airlines' propaganda that the airline industry's major problem is "excess capacity," especially when more than one-half of our population has never travelled by air and the annual traffic growth rate is showing negative trends. The real and critical problems of this industry, as it used to be with the railroad industry, are overspending and monopoly control. This nation's major air carriers are controlled by a few banks and insurance companies who virtually decide how and to what extent the carriers should serve the public. These *de facto* managers of airlines buy airplanes and impose them on the carriers under extortionary lease arrangements. (The carriers pay more than \$1 billion annually to these banks and insurance companies as interest charges and other payments.) It is simply misleading to talk about "overcapacity" without also talking about the reasons for such capacity and the capital investment involved in it. We are of the opinion that capacity-cutting agreements produce economic waste by under-utilization of aircraft and undesirably low productivity of invested capital. Even if the CAB wants to reduce capacity, it should be achieved by restraining carriers from acquiring more capacity, instead of encouraging partial or under-utilization of capacity already acquired. However, even at the risk of taking the blame for advocating competition and free enterprise, we still argue for more airline capacity to be filled by passengers generated by low and competitive prices.

The "present CAB," meaning the Secor Browne team, has permitted the carriers to

increase air fares by 12 per cent across-the-board last year. If the increased fares failed to generate enough passengers to fill empty seats, the proper remedy is to reduce the fares and increase the traffic volume. If the airlines do otherwise, they would be doing it at their own peril. The traveling public has no reason to expect creative actions from the Secor Browne team which invariably rubber-stamps airline agreements. However, we expect more from members of the academic community who are supposed to base their views on objective analysis and creative thinking.

K. G. J. PILLAI  
Washington, D. C.

*Mr. Pillai is executive director of the Nader Aviation Consumer Action Project.*

*The author, Frederick Thayer, replies:*

Which Pillai is the real one?

One Pillai wants growth everywhere, especially in travel; we should have more planes, airports, pollution, noise, etc. Everybody must fly! This is conventional growth economics at its worst, for it implies everyone should and does want more automobiles, lipsticks, electric toothbrushes, and whatever.

The other Pillai admits there may be *some* limit to the people, planes, and airlines flying between New York and San Francisco. Perhaps 15 airlines would satisfy him, but it is hard to tell. This Pillai would have the CAB prevent airlines from buying new planes, forcing them to fully use the ones they have. Does he mean the government should finance or guarantee airplane purchases? We have done this for local and foreign carriers; it removes "free" competition, gives the government its own vested interest, and causes subsidies (so local carriers can pay off the loans).

The second Pillai seems not to understand that parts of his argument are only a nastier version of mine, and he doesn't notice that for the CAB to dictate how many planes each company should have would make "competition" meaningless. Simply stated, this would be nationalized competition. Is this Naderism?

I tried to show that competition compels carriers to behave as they do, just as it *compels* gasoline companies to put four stations on every corner (which we pay for). Perhaps the "free competition" Pillai should meet the "strict regulation" Pillai; they might be able to decide which of them is "objective" and "creative." They also might discover that competition doesn't work, whether socialist or capitalist.

# Inside a Major Strike: Woodcock's UAW vs. General Motors

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by William Serrin

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Everyone said, no, he did not want a strike. Leonard Woodcock, president of the United Automobile Workers, said that the union approached the negotiations with a "sincere hope and desire that we can work out an agreement with General Motors without a work stoppage." A settlement without a strike, Woodcock said, "would be the greatest contribution we could make to our sorely troubled country."

Earl A. Bramblett, General Motors vice president for personnel and the corporation's top negotiator, said he believed a strike could be avoided. "There is never a good time for a strike," Bramblett said. "Everybody loses and nobody wins. It is time for

both parties to accept the fact that we have a greater community of interest than of conflict." James M. Roche, the General Motors chairman, said, "I hope the negotiations can proceed without a strike."

James Hodgson, Secretary of Labor, said that the companies and the union faced a "real bargaining problem" but that the "magnitude of the problems is never reason for having a strike." A strike, Hodgson said, was not inevitable.

But there is much posturing, much cant, in labor negotiations, and this talk was part of it. Certainly the leadership of the union and the companies wanted to reach a settlement without a strike—if that would have been possible. But it was not. A strike has value to both sides. The union, its members badly hit by inflation, had the largest and most expensive list of

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*William Serrin is a reporter for the Detroit Free Press. This article is adapted from his book, The Company and The Union, to be published by Alfred A. Knopf in January.*