

Tidbits

For You, Mr. President, \$5.99

The *real* basis of Washington social life has been recognized by Peter Malatesta and Wyatt Dickerson, who are starting a new private club called Pisces. The regular members will pay \$450 while, according to the *Washington Star*, "White House and other VIP government officials can join for \$200."

The Federal Restaurant Subsidy

In 1960, there were two first-rate restaurants in Washington. Today there are over 30. In 1960, there was seldom more than one performance per evening in music, dance and theater combined. Today, there are often fifteen or more. The Washington metropolitan area now has the nation's highest per capita and highest household income.

The reason is simple: In 1960 the highest civil service salary was \$18,000, and it was earned by only a few hundred government employees. Today the highest salary is \$37,800 and is earned by over 16,000 employees. Employees making \$18,000 or more now constitute 35 per cent of the total government work force, compared to less than one per cent in 1960.

If these salaries are needed to attract people from "comparable" private employment, one wonders why, according to Mike Causey, who writes "The Federal Diary" for *The Washington Post*, the Washington area alone produces 1,000 walk-in job hunters each day. "Another 1,000 people," Causey adds, "call the Federal Job Information Center each day to inquire about work. . . . For the past two years the government has had many more applicants than it has had openings."

Progress

It is reassuring to know that the government is making progress in cutting wasteful subsidies. A 1973 study of the food stamp program found a "56 per cent error rate." This year the rate is 54 per cent.

Lunch

The truest statement ever printed in a Washington newspaper:

"Most of them won't admit it, but the biggest decision made each day by thousands of people who work in midtown Washington is where they will go for lunch." [John Rosson in a recent issue of the *Washington Star*.]

How Do Porcupines Make Love?

If you've been wondering how to tell from an auditor's report if you've got another Penn Central on your hands, *The Wall Street Journal* recently provided four inside tips:

"The most obvious clue is an auditor's letter that runs more than two paragraphs. Usually, the extra paragraph is inserted to spotlight something that caused the auditor to hedge his opinion on the company's financial statements.

"If the final paragraph doesn't begin, 'In our opinion. . . .' it means the auditor is 'disclaiming,' or withholding, an opinion—an ominous sign. It usually means the company's financial uncertainties overshadow anything else the auditor might conclude about the financial statements.

"When the auditor is giving an opinion but qualifying it because of some contingency hanging over the company, the phrase 'subject to' appears in the final paragraph. In these instances, the problems aren't necessarily dire if they involve such uncertainties as pending lawsuits. More foreboding are any references to liquidity troubles or meeting debt that's falling due.

"And beware of the code words 'subject to' the company's ability to continue as a 'going concern.' These instances indicate the auditor's suspicion that the concern may be about to fail."

and Outrages

But You Never Said You Meant All Shellfish Toxins

One of the better examples of the bureaucratic mind at work is this testimony by Dr. Nathan Gordon, a former head of the CIA's biological branch, as reported by Norman Kempster of the *Washington Star*:

"On November 25, 1969, Nixon announced that the United States had decided to renounce the use of biological weapons. He ordered stocks of such weapons destroyed. Gordon related that he was distressed by the order because 'we were beginning to see the demise of the military biological and chemical warfare program.' But then he spotted a loophole. The order applied to biological weapons. Shellfish toxin, although seemingly of biological origin, was a chemical. The order, Gordon told the senators, said nothing about chemicals. Apparently that same ambiguity was brought to the attention of the White House, because on February 14, 1970, Nixon issued a clarification. He said he wanted toxins to be destroyed, whether biological or chemical. But, Gordon explained, the second order was directed to the Defense Department and the CIA is not part of the Defense Department."

The Navy's Billion-Dollar Sitting Ducks

The Washington Monthly has often noted that the rivalry between the services for shares of the military budget wastes money. According to Clayton Fritchey, recent Navy victories in the budget war may also have weakened U. S. defense capability by saddling us with billion dollar aircraft carriers which would survive for all of ten minutes in a real war. Here is Fritchey's report on the Navy's triumph and the nation's defeat:

"In the protracted competition between the various branches of the armed services for the biggest slice of the enormous military pie, the Navy is definitely emerging as both the immediate and long-range winner. . . .

"Moreover, it is becoming clear that the big-carrier admirals, who want to keep the American Navy primarily a surface force, are coming out on top, despite the fears of many critics that these billion-dollar ships would be notably vulnerable to modern attack submarines and cruiser missiles in any major war. . . .

"As the military expenditures grow year by year (rising to about \$150 billion in 1980), the Navy's share, now approaching 40 per cent, will continue to outdistance the other services, with the Army coming in last. Navy ships are projected to increase from 500 at present to about 600 in the mid-1980s.

"In the final analysis, however, it's not so much the number of the ships, as the astronomical cost of such new nuclear surface vessels as the USS *Nimitz*, the largest aircraft carrier ever built, which was commissioned into the Atlantic Fleet in May with President Ford as godfather.

"The *Nimitz*, minus her aircraft, cost more than a billion dollars and she is merely the first of a group of even more expensive ships to come. One of them is a super aircraft carrier that is expected to cost \$2 billion to construct. Actually, though, when airplanes and other special equipment are added, the true long-term capital investment is more likely to be \$8 billion."

Not only is the money being spent on ships we don't need, it is *not* being spent where it is needed, according to this report by Associated Press:

"Rep. Les Aspin said yesterday that projections from a sampling of official Navy inspection reports indicate that only about 30 of the Navy's 500 ships may be fully combat-ready.

"'Instead of spending billions of additional dollars in new ship construction,' the Wisconsin Democrat said, 'we should be spending the relatively small amounts needed to improve the readiness of existing ships.'

"He said that in an analysis of 82 ship inspections, 31 between 1966 and 1973 and 51 in 1974, only five ships were found fully combat-ready."

Now You're Thinking Like a Lawyer

by Michael Kinsley and Charles Peters

It is "Interview Season" at what is known in Cambridge as "The" Harvard Law School. This highly stylized mating ritual for law students and law firms begins September 30, lasts until Thanksgiving, and is run by a computer. Each second- and third-year student receives a print-out, listing by city and by date the hundreds of firms coming to Cambridge to interview, and a set of computer cards with his or her name punched onto them.

To obtain an interview with a particular firm, you merely wait until the appointed time three weeks before the firm's representative is scheduled to appear, then file one of your computer cards in a special file behind the computer card of the firm you wish to interview. The computer, which knows your class schedule, sends you a postcard listing the time and place of your interview, and assigns you a number. Two days before the interview, you write your number on your resume and drop it in the appropriate slot in a bank of such slots at the Placement Office. Then you put on your grey "interview suit" and go "interview."

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Like a stacked deck of Tarot cards, the computer cards predict a future that is uniformly bright. Pick a card, any card, and the next thing you know you are a leader of the community earning top dollars in the city of your choice.

The popularity of legal careers requires no elaborate explanation. Lawyers run the country. Nothing could sound more antiquated than that famous comment by Commodore Cornelius Vanderbilt, the 19th-century robber baron: "Law? What do I care about the law. Hain't I got the power?" At most, a modern corporate baron could boast, "Law? What do I care about the law. Hain't I got the lawyers?" And the lawyers he "got" would not come cheap.

This very popularity, however, is threatening to destroy the law's appeal to the thousands of bright college graduates who pour into it every year. The profession is facing a crisis of over-supply and under-demand. This is a problem medicine managed to avoid by artificially limiting the number and size of medical schools. The lawyers were not so far-sighted. In the decade between 1964 and 1974, enrollment in ABA-approved law schools jumped from 54,265 to 110,713. During approxi-