

## LECTURE IV

### CONSUMER STRATEGIES FOR THE 80'S: THE RENEWAL OF CONSUMER OUTRAGE AND REGULATORY LEGITIMACY

In the last lecture I confessed that I had held out -- until it was almost too late -- as the FTC's incorrigible political Polyanna. I suspect that those of you who have weathered the first three lectures will now bear witness to my cure. In the first lecture, we celebrated with scarcely modulated modesty, the successful consumer enterprises of the 60's and early 70's. We examined and partially embraced Wilson's image of successful consumer legislative initiatives as examples of entrepreneurial politics noting, however, how the aspiring consumer entrepreneur has needed to thread the eye of the political needle.

From thence, we proceeded down century, and downhill, from Nader to nadir. In between, we charted the political emancipation of the corporate executive, inspired by the neo-conservative freedom riders and we chronicled the brief, rude success of the FTC in capturing Congress attention: a regulatory mosquito which, once swatted, lapsed into tranquility.

All this has transpired before the ascendancy of the Reagan administration and a new Congress, both so desperate for the affections of business as to make a Maurice Stans blush.

The title of this lecture promises both prophesy and prescription. I am insecure about both. Today in Washington, liberals, who prefer for the moment to be known as progressives ricochet between doomsday scenarios and portents of restoration. Liberal discourse abounds with wishful symbols, the pendulum serving as perhaps the most reassuring. Resisting the lessons of a brutalized optimism, I do see the seeds for a resurgent consumer entrepreneurial politics replanted and sprouting in soil made fertile by the crude business sycophancy of the Reagan administration. As Joseph Kraft observes: "The president's Achilles' heel is a respect for private wealth so ingenuous as to promote inequities in public policy and sleaziness among government officials."

Certainly, the public, though still bemused by Reagan's persona, increasingly perceives his administration as tilting precipitously toward wealth and privilege.

I believe the images of ostentation struck so graphically at the Reagan inugural celebrations, are sharply etched in the recesses of the public mind. To be sure, so long as the majority of middle and working-class Americans continue to hope that the Reagan economic policies will bring them economic succor, these images may remain dormant. But if those expectations are frustrated, if the "born-again" economy is stillborn (as it now appears to be), the images of corporate favoritism will center in the public consciousness. Reagan may succeed where Nader fell short in rekindling public outrage.

There are other grounds for restrained optimism. Reagan's regulators are courteous and wear blue ties, with emblems neatly ranked in rows. They are otherwise distinguished only by their chronic myopia in overlooking consumer disadvantage and abuse at the hands of producers. As a minority Commissioner, therefore, I foresee no dearth of opportunities for impassioned dissent. There are also murmurings and rumblings in Congress at the extent of this administration's indifference to consumer issues or corporate accountability. Outside Congress, consumer leaders have returned to consumer advocacy seasoned with experience and legitimized by the cachet of official tenure in the prior administration.

After a period of what I. F. Stone characterized, uncharitably, as collaborationist, the press is restive. I take some comfort from the restiveness of the investigative journalist, nostalgic for Watergate but undernourished by the relative integrity of the Ford and Carter administrations. The Reagan administration can seek to throttle the Freedom of Information Act and Sunshine Laws and disclaim any interest in corporate records or reports; but no secrets are safe where the Xerox machine lurks. The pages of the Washington Post have begun again to bristle with tales of government malfeasance and neglect, reflected in resurgent editorial outrage. And the continued popular appeal of "60 Minutes" suggests that the public appetite for revelations of corporate misdeeds is not sated.

And, as we have seen, the polls show both a firm underpinning of public support for the regulation of business and acute discomfort with perceived big business dominance of government decision-making.

But the pendulum, should it swing back toward the populist or liberal pole will still encounter drag from a Congress rooted more firmly than ever in its business constituency. Perhaps the less optimistic or heroic symbol of "the ratchet" is more realistic. As we have

seen, incremental progress has been achieved in consumer and environmental standards and restraints which do not threaten entrenched market structure or power. The image of the ratchet, for which I am indebted to Bob Harris, suggests that though such regulation will be loosened, the level of protection will not fall to preexisting levels.

Ironically, many businessmen, confounding their supplicants in the Reagan administration, appear to accept the basic thrust of the new regulations as just, generally tolerable and fairly responsive to public need and demand, though we can certainly anticipate continued allergic reaction by business to the cost burdens of regulation. Moreover, as we proceed into this new regulatory era, it will become increasingly difficult for business to fob off its poor economic performance, since the Reagan administration's trumpeted regulatory relief is unlikely to produce a traceable resurgence in business productivity or vigor.

But as the image of "the ratchet" suggests, only part of past regulatory gains will be secured, indicating a porous consumer and environmental safety net. The

equity and structural concerns which Congress, the FTC and others have abandoned, such as pyramiding conglomerate mergers, will remain politically untouchable in the face of immovable business resistance.

Even if we assume the resurgence of political entrepreneurial leadership, press responsiveness and rekindled public outrage at corporate abuse and government complicity in such abuse we still confront the inherent limits to entrepreneurial politics -- a politics which we have seen rests upon the confluence of public rage, focused upon a clear and evident remedy, possessed of universal legitimacy.

Before we prescribe or predict the course of consumer strategies for the 80's, we need to draw from the previous lectures some measured conclusions on these limits to entrepreneurial politics.

First, public outrage flickers and burns with a short candle. It is difficult to sustain, easily diverted, capable at best of being focused on a particular legislative remedy only briefly, while the producer interest perseveres. Outrage over consumer issues is easily crowded off the

national agenda. Wars, of course, do especially well; but economic crises, threatening jobs and inflation, also do very nicely, indeed.

Second, public outrage can be vented or deflated by a skillfully shaped token response, what Nader sardonically dismisses as a "no-law law." Thus, public concern over the unrestrained marketing of cigarettes to young people, especially through television advertising, was vented by congressional passage in 1965 of a law which required that a mild warning be printed on the cigarette package, a requirement already scheduled to take effect through an FTC rule, without Congressional action. Congress thus juggled the apples, appearing to have taken a bold step in mandating the package warning, while the public was distracted from the parade of elephants, as Congress in the same Act crudely forbade either the Federal Trade Commission or any state or local government from requiring a warning or otherwise restricting cigarette advertising. Again, by 1969-70 public antipathy towards broadcast advertising of cigarettes had grown. In the interim, the Federal Communications Commission, in part through the fortuitous circumstance of a Mormon chairman, had imposed a rule requiring broadcasters to present antismoking counter-commercials at a rough ratio of one for each three cigarette ads.

Pursuing a strategy of calculated withdrawal, the tobacco industry determined that it was in its best interest to withdraw from television. The anti-smoking commercials were meddlesome and potentially effective in undermining the cigarette market. Commercially the intense, head-to-head competition through saturation television advertising in the marketing of essentially undifferentiated products had become increasingly expensive and inefficient. The companies calculated correctly that a withdrawal from television would not substantially affect the overall market for cigarettes. Finally, by withdrawing from television they would have removed from public consciousness the most visible goad and stimulus to government regulation: the ubiquitous presence in the home of the cigarette commercials. Congress was pleased to oblige such corporate statesmanship.

That the cigarette industry's strategy was sound can now be confirmed by the continued health and prosperity of the tobacco industry ten years later and by the absence on the public agenda of any serious threat of regulatory action, despite the FTC's best efforts to the contrary. So when we reflect longingly on the "high consumerism" of the sixties, our nostalgia is freighted



with the knowledge that during that very period, no government action was taken which seriously threatened the market or profitability of the single most lethal consumer product ever openly marketed in this country. All it took was a little skillful corporate ying to deflect the yang of public outrage.

A third lesson is that entrepreneurial politics are also limited to mating patently responsive cures with salient evils, such as flammability standards to cure fabrics flammability or auto safety standards to cure the "second collision." Many of the most potentially significant consumer initiatives failed because the remedies were too complex or abstract or the cures not readily obvious.

The proposed Consumer Protection Agency, which did find favor with a significant majority of the American public, nevertheless suffered from an undertow of public disaffection with big government. The cause of generic consumer advocacy did not promise a manifest legal right or remedy for a specific corporate abuse. The Consumer Protection Agency was manifestly more government; and what it would do was obscure.

The failure of the consumer agency legislation is often cited as a benchmark for the decline of Nader's political influence. Given the heroic business lobbying energies deployed against the Agency bill and the inability of its proponents to draw upon focused public outrage, what is surprising is not that the legislation failed of passage, but that it came so close.

A similar fate befell Senator Magnuson's effort to enact consumer class action legislation, so that consumers injured by common but modest product defects or deceptive practices could band together in a common suit to obtain relief. By enabling consumers to spread the otherwise inhibiting cost of attorneys among their fellow victims, the class action made self-help remedies feasible. But the concept again proved too abstract and remote for popular appeal. The very term "class action" conveyed nothing of meaning to most consumers. It was also a remedy unattached to a specific injury; "class actions" never resonated in the public breast.

"No-fault" auto insurance was another reform which fell by the way under the pressure of the trial lawyers, who saw their essential livelihood, the national market

for arms and legs and whiplash injuries, potentially destroyed by an insurance system designed simply to compensate accident victims. The relationship between a tort-based automobile accident liability system and high automobile insurance rates proved too complex and remote to galvanize public support. Similarly, the concept of federal chartering of major corporations, however theoretically sound, must have appeared to a general public, which has never doubted the legitimacy of the corporation, to be abstract, complex and remote.

A fourth limitation: even where a critical mass of public outrage exists and is perceived by Congress as a demand for government intervention, certain potential remedies prove beyond the pale of public ideological limits. Regulation, yes; public ownership no.

Thus, at the height of the public outrage and antipathy toward the oil companies in the early 70's, broad public support existed and persists to this day for price controls on oil and gas, the traditional regulatory response. But only about a third of the American public were prepared to support the proposed Magnuson-Stevenson Consumer Energy Act of 1973, which would have created a Federal Oil and Gas Corporation.

One defeat which Nader and Magnuson suffered, even at the crest of public support for automobile safety legislation, was in their effort to impose criminal as well as civil penalties for knowing and willful violations by corporate executives of automobile safety standards. Nader has characterized consumer initiatives as efforts to police "crime in the suites" and has evoked, in debate on auto safety and other product, workplace and environmental safety issues, the image of "corporate violence." There is, of course, a difference between the immediacy of a mugging and the slow death from exposure to a carcinogen; and the term violence connotes suddenness as well as injury. Yet, the concept that a knowing and deliberate exposure of another human to such a risk is a form of murder does not do violence to language.

Yet it doesn't sell. Senator Pastore, who led the successful Senate floor fight to delete the criminal penalty provisions from the auto safety law, considered the very presence of those provisions a slander against corporate executives. Whether the public generally shared his revulsion is problematic. What is clear is that the public is disinclined to equate corporate behavior, no matter how deliberate or injurious with street crime.

Fifth. In Washington, and especially in the Congress, we have seen that public outrage is filtered and mediated by a structured environment calculated to dull and defuse outrage.

Politically attuned Washington was appalled at Nader's "cruel insensitivity" in telling Senator Jake Garn of Utah, who had lost his wife and children in a head-on automobile collision some six years earlier that "some Senator's families might be alive today if safety air bags had become standard equipment."

Like other "civilized" Washingtonians, I too winced at this breach of "common decency" and privacy. Yet Nader was technically right. An air bag might well have saved the lives of Garn's family and those of other families. They and thousands of other wives and children now dead might be alive.

His statement was not gratuitous, but a response to an attack by Senator Garn on the entire automobile safety program, in which Garn accused Nader "of wasting hundreds of millions of dollars of taxpayers' money."

Nader was again seeking to break through the pious abstractions of regulatory reform to the underlying pain and suffering and life at stake.

But Washington chose to perceive his response as a political rejoinder below the belt. He provoked outrage from Garn and other critics of regulation who raged against his "cruelty." From those who were more sympathetic to Nader's objectives, he evoked at best discomfort at his breach of social convention.

Upon reflection, the incident teaches not Nader's insensitivity so much as the ease with which Congress in its social environment is deflected from focus and concern over the human costs of its actions or inactions. And it illustrates, as well, the inherent limits to a politics which depends upon the continuous renewal of public outrage -- when public indifference or imperviousness forces consumer advocates to extreme rhetoric which may repel as much as inspire.

Again, as we saw in the last lecture, Nader's attacks on Senators Ford and Danforth in their home states pushed hard upon acceptable limits of political

discourse, yet were tactically essential to stimulate public awareness and concern about the role of their senators. Thus, the strategic demands for increasingly harsh and extreme rhetoric simultaneously tend to undermine the legitimacy of the advocate.

Finally, it is or should be evident by now that the notion of a regulatory agency independent of corporate political power is illusory. The progressive vision reflected in Franklin D. Roosevelt's exultant imagery of the independent agency as a "tribune of the people" standing between the public and "private greed" was a romantic and flawed vision.

## THE SPROUTING OF THE GRASSROOTS

During my first years at the FTC, I adopted the habit of "riding circuit" ever month or so to one of our ten regional offices. As a professed democrat, I also made each of these visits the occasion for cultivating the FTC's grassroots. Whether it was Cleveland, or Denver or Chicago, we would arrange a day of meetings with representatives of consumer and small business groups. It probably demeans these sessions unnecessarily to view them as a form of regulatory noblesse oblige, especially since they were as close as I would come to facing the elderly, women's groups, Hispanics, tenants rights groups, or the local Nader-inspired Public Interest Research Groups. To be sure, it was their leaders I met with, but at least it was leadership from the local level.

These meetings were invariably both satisfying and marred. They were satisfying because they confirmed that we were working on many of the right things: complaints of credit discrimination or new housing defects, auto repair frauds, unsatisfied product warranty complaints. To many of the consumer issues they raised, we were indeed attempting to respond. The meetings were



marred, however, because the problems that evoked the most pain were generally beyond our reach: landlord gouging, escalating utility rates, local door-to-door swindlers. These "hard-core" issues were beyond the effective reach of a limited-budget federal agency with civil not criminal powers.

I came away feeling that we were responsive to real concerns, but that we rarely dealt with central concerns.

There was also an understandable passivity in the relationship of these citizens to their Federal government. They confirmed our choice of investigative regulatory targets. They were for the most part grateful that a federal agency had the time to spare for them and seemed to be generally satisfied with our efforts, which however remote from their central concerns, nevertheless were directed at ameliorating their lives, rather than burdening them. They were respectful, sometimes skeptical, only rarely insistent. Like the relationship between the consumer entrepreneurs of the 60's and the public, the leadership of these groups was supportive of our efforts, but essentially passive recipients of federal largess.

There were however exceptions.

As I was completing one such visit to the Denver Regional Office, preparing to move on to Los Angeles, I received an unsettling call from Washington. Consumer and citizen groups in the Los Angeles area had been dutifully contacted and invited to meet with the Chairman of the FTC and plans for that meeting were proceeding. But there was one group, UNO, the United Neighborhood Organizations, a group representing the Hispanic people of East Los Angeles, who were not at all gracious about the invitation. They insisted that they had been demanding, in vain, an appointment with me for the last year to discuss a matter of grave concern to their members (a fact which, if it had indeed occurred, which is possible, had never been brought to my attention) UNO was not content to be part of a generalized, token meeting with disparate groups. Unless I agreed to meet with a representative committee of UNO, they would picket the Commission's Los Angeles office while I was there. They were not prepared to disclose the nature of their grievance; it would wait for the meeting.

As Ralph Nader has said, "Power, in a democracy, must be insecure." I was insecure. Who were these people and what did they want of me? The one thing I knew was that I did not care to be picketed. I took the only rational course open. I agreed to meet with them.

It turned out that they had a problem we really couldn't do much about, or at least we ordinarily wouldn't have done anything about. But this group of citizens armed with the energy born of indignation was not to be easily satisfied. The committee, led by Father Olivares, included an organizer trained at the Midwest Academy and several members of the elected leadership of UNO. The organization had experienced explosive growth in the last several years, drawing upon the organizational strength and legitimacy of local churches until it had grown to representing hundreds of thousands of East Los Angeles Hispanics. More to the immediate point, it was capable of assembling 5,000 or more, if necessary, to confront an unresponsive bureaucrat.

The issue was redlining discrimination by auto insurance companies against the Hispanics and Blacks of East Los Angeles. Simply put, the auto insurance rates in East Los Angeles were close to double those of adjacent Beverly Hills, though accident and loss data, they insisted, justified no such discrimination.

They had come to me and the Federal Trade Commission because they feared that the state insurance commissioner, whom they had been vigorously petitioning, would not respond unless he sensed the potential threat of federal

intervention and pressure. They wanted the Federal Trade Commission to investigate the discrimination and to do so publicly and ostentatiously to put pressure on the state. They did not know or care that the FTC had no jurisdiction over the regulation of insurance. They did know that the Commission had responsibility under the Equal Credit Opportunity Act for policing credit discrimination.

I could have said, "There is nothing we can do under our law." Perhaps they would have gone away without picketing. But I didn't do that. Here for the first time in my experience as Chairman, were people who had come directly to us out of their own anger and frustration at the unresponsiveness of both insurance companies and state officials. So much of what we do, while it can be of great economic benefit to consumers, seems remote and abstract. We almost never see face to face the consumers who benefit, though in most cases it means that someone who would have otherwise been exploited will not be. But here were people in pain and anger demanding our help.

I told Father Olivares and his colleagues that they must understand that there was no possibility that the Commission could directly affect auto

insurance rates in East Los Angeles; but that I would make a bargain with them. I would agree to meet with them publicly (with the Washington representatives of Los Angeles media present) to hear the grievances of UNO against both insurance companies and the California Insurance Commission. And I would undertake, broadly construing our powers under the Equal Credit Opportunity Act, an investigation of auto insurance and related credit discrimination in East Los Angeles. They must know that a report is all they would get because we were unlikely to find violations of the specific laws we enforce. If they believed that the meeting and the promise of the report will give them the leverage they needed with California, we would do it. They agreed; the meeting was held; the Commission announced its investigation. Three weeks later Allstate announced that it was dropping its auto insurance rates in East Los Angeles by a third. Others followed. I do not know whether we made the difference, but I like to think so.

The incident stayed in my mind. Upon reflection, I think I was drawn into this venture partly out of fear, the fear of picketing, the fear of confrontation with 5,000 angry citizens, but also out of respect, respect for a community and its leaders

who were prepared to demand and fight for their rights. And, finally, I was intrigued by the opportunity. The opportunity, with a relatively small exercise of Commission energy, to make a difference in the lives of people who had not gotten much from life or their government. The incident also stands out because we were not the entrepreneurs. We were one of the instruments available to citizens acting on their own behalf. We were responsive; but we were not the initiators.

There was comfort, too, in the thought that the response to the accustomed letter of indignation from a California congressman berating the Commission for treading on the jurisdictional toes of the California insurance commissioner would be met with a polite and diffident letter from the Commission -- and a district office surrounded by pickets from UNO. We received no such letters.

I remember UNO and I remember the militant members of the American Association of Retired Persons who had angrily confronted many of those Congressmen who had voted insouciantly for the Russo Amendment to kill the Commission's Funeral Rule. The elderly were angry. Their anger was organized and focused through an organization

which had begun as little more than a front for insurance sales and had been transformed by its members into a grassroots economic union, increasingly militant in demanding government response to economic concerns of the elderly, among which, un sentimentally, were the high prices and overreaching sales tactics of too many funeral sellers.

I thought of UNO and I thought of AARP and the National Counsel of Senior Citizens as I sat among the participants in the 10th anniversary of Ralph Nader's Public Citizen and the Public Interest Research Groups, the PIRGS two months ago. It was, of course, a sentimental reunion. We were the Old Guard. We had old victories and fresh defeats to retell and share.

There were two sides of Nader represented there. There were the veterans of the Washington campaigns -- Wilson's political entrepreneurs. Labels are wisely skirted, especially these days, but it could be said that we represented the late New Deal liberal tradition. If Irving Kristol had hit any targets in his condemnation of liberal elites, he had struck at least glancing blows off all of us. We were disproportionately Ivy League elites, do-gooders, knee-jerk liberals, occupied

with alleviating the hardship of others, fueled by faith in the capacity of government to represent the people against "private greed" so long as the government was peopled by us. We defended ourselves against charges of elitism with the evidence that the principles we stood for and the causes we enlisted in enjoyed popular, if sometimes passive support. But if we were "for the people," for the most part we were not comfortably "of the people."

But the Nader conference, entitled "Taking Charge: The Next Ten Years" was not our conference. It represented instead the flowering of what had always been a second side to Nader's leadership -- the populist, as contrasted with the liberal. It was the Nader that spoke, not so much of safety air bags, but of "many outlets of citizen involvement and responsibility," of "new citizen energies" for those who "care enough to do, and do enough to care, for those who wish to learn and teach, for those who intend to launch new resolves and initiatives." He looked to the conference as a "watershed gathering of high metabolism and consequence, a gathering of builders of the future."

This was the Nader of the PIRG's, preoccupied with the mechanisms of grassroot citizen organization



and involvement. This was the Nader who, while calling upon government to carry out its responsibilities to all citizens, shared the populist distrust of government. For many businessmen, Nader remains the symbol of massive government regulation, the great regulator. Yet Nader's popular appeal was built upon his attacks on unresponsive government bureaucracy, as well as business.

In seeking to structure regulatory schemes, he had pressed always for new forms of direct citizen participation, such as rights of petition, bureaucratic accountability to direct citizen action, or self-help remedies as consumer class actions, which bypass bureaucracies. Even Nader's blueprint for corporate accountability embodied in the concept of federal chartering was designed, not to impose new levels of government supervision, but to constitutionalize principles empowering consumers, workers, and communities to take direct action in the courts to hold corporations accountable. Nader saw the law embodying the power of government to restrain corporate abuse; simultaneously he saw the need to make government power equally accountable to direct citizen action. Nader considers the initiative and referendum the truly great and lasting heritage of the progressive movement.

Before the first summer vacation I took after becoming Chairman of the Commission, I had asked several friends and colleagues for recommended readings. Nader's first choice was a book called Democratic Promise, by Lawrence Goodwin, the history of the populist movement of the late 19th century in the South, Midwest and Southwest. Goodwin helped me to understand why, in the late 70's, Nader had placed a very high priority on legislation to create a national cooperative bank to provide technical assistance and seed money for consumer cooperatives.

Democratic Promise gave historic confirmation to the Nader conviction that organized citizen participation in democratic self-governance was possible. The populist movement as depicted by Goodwin grew organically out of the desperate efforts of farmers to band together collectively in the Farmers' Alliances, buying and selling cooperatives which formed a last defense against exploitation by banks, farm seed and implement sellers and grain merchants. Out of the cooperative experience grew a sense of community and shared purpose which blossomed into a political movement. And I was not surprised to find that Lawrence Goodwin was a principal speaker at the

"Taking Charge" Plenary Session on "developing the tools of democratic organization."

There was little mention, if any, at the Nader conference of the lost "Consumer Protection Agency" to which many of us, most of all Nader himself, had devoted energy and emotional investment for those ten years. There was scarce mention of the safety air bag, the specific regulatory issue which more than any other had drawn Nader's deep emotional involvement. Indeed, the traditional consumer issues were only touched on in passing, as the conference focused on economic issues both broader and narrower than the legislative and regulatory issues we had worked on. Broader issues were raised in speeches which decried the massive impact of the government's macroeconomic policies entrenching wealth and privilege, undermining the economic security and the broad gains of two decades of political struggle to shape a government more nearly responsive to the rights and needs of the vast majority, than of the privileged.

Down-to-earth organizing tactics were the thrust of those speakers and participants who represented the populist organizers. They emphasized the energy and potential strength which lay in organizing

around salient local issues for direct participatory confrontational response, not from a remote federal government but from local city and state government. The issues were gut economic issues: utility rates, rent control, toxic contamination of communities, the building of co-ops, work place democracy, community control.

Perhaps the Nader conference symbolized the transition of consumerism from liberal to populist, a transition which ironically reflects the evident attitudes of citizens far more faithfully than the Reagan administration's perceived conservatism. For those very polls which demonstrate continued public demand for government intervention against business abuse also express a strong preference for those regulations which empower citizens, regulations which give consumers more information with which to bargain on their own behalf, greater rights and self-help remedies. A recent Harris poll on attitudes towards regulation concluded: "Americans do not believe that industry will reform by itself. But at the same time, they do not see big government as their savior either. Indeed, they want an opening up of the bargaining and regulatory process to allow citizen participation on a scale never before witnessed in human history."

## CONCLUSION

In Lecture I, we noted Lindblom's judgment that business invariably deflects regulatory thrusts, no matter how well intentioned, to its own ends, through its domination of the political system. In the 1960's and early 1970's that harsh judgment appeared to be leavened by the consumer, environment and other public interest successes.

Ironically, we find that, today, Lindblom's judgment is shared by populist and conservative alike.

"The political system favors groups that are concentrated and actively involved in the regulatory process, with high stakes in the outcome of some specific bureaucratic decision. Such people consistently prevail over those who are dispersed and far from the regulatory system, with a small stake in any given decision (although a big stake in the overall process) - in other words, American consumers." That was William Simon, the sturdy Wall Street conservative.

Translated into song, his tune is indistinguishable from the theme of Jim Hightower, a Texas

populist who first spent time as a staff member for Senator Fred Harris, then founded the Washington-based Agribusiness Accountability Project, wrote two books and served as Fred Harris' campaign manager in the 1976 Presidential campaign. He then returned to Texas to run as an "Economic Populist" for the Texas Railroad Commission, that super-utility commission which controls the economic life blood of Texas. He gained 48% of the vote against a candidate heavily funded by energy and utility industries. His theme song:

"Them that's got is them that gets and I ain't got nothing yet."

Simon says forget the government; trust the market. Hightower says forget Washington -- for a while -- and trust the people to help themselves.

Hightower tells about giving a speech in Nebraska while he was operating out of Washington, running the Agribusiness Accountability Project. Talking to farmers about "corporate agribusiness eating up the farmer and the consumers alike," he tells of a farmer, who rushed up to him sputtering, "You're right; that's absolutely right, what are we going to do about it?" And Hightower explained

how they had to persuade the Federal Trade Commission to bring an antitrust action against the food conglomerates, "No," said the man, "I mean now. I'm losing my farm this year; what are we going to do now?"

Hightower concludes, "We have to go out and deal with him at his level, which is the only level that counts. It's the only level that counts because it's the only level where there is real pain. But it's the only level where there are real solutions. That's where the power comes from, and we've been fooling ourselves about power. We been thinking we can use other people's power. Basically we shouldn't be allowed to. I don't want anybody using my power."

I know, too, that whatever the sins and over-reaching of the business lobbies the Chamber had organized real people. However artificially stimulated and misled, their outrage and energy were palpable. Their grassroots may have underlain laws of privilege but they were rooted in communities and they were real. And, at least before the elderly begin to respond to the Congressional attack on the Funeral Rule, most Congressmen could say in earnest, "I never heard a word from a constituent supporting the Federal Trade Commission."

I do not believe that consumer issues will ever be central to the political debate in this country, but many consumer issues embody or symbolize key economic concerns, which can be part of an organizing effort. Moreover, they symbolize the imbalance of economic and political power and they are, for the most part, unifying issues among disparate groups. Only a used car dealer would not be pleased to have effective restrictions on fraud and misrepresentation in the sale of used cars; only the funeral directors would protest the requirement that they tell the truth and provide the bereaved with a little more information. Unlike social issues, consumer issues tend not to be broadly divisive.

I don't know whether "grassroots democracy" or "the new populism" or "the backyard revolution," as Harry Boyte calls it, can work. I know that the populist movement in the nineteenth century flamed briefly, until its heat was drawn off and coopted by racist Democrats. There is nothing in my experience that tells me directly whether a grassroots political movement within the Democratic party can be built out of the pain of economic abuse and disadvantage, part of which is made up of the consumer agenda.



Still, I cite no less an authority than Wilson Wyatt, Jr., the manager of Corporate Affairs and Communications for Brown and Williamson, who testified with great force and vehemence, perhaps inadvertantly, to the health of grassroots democracy in this country: "I am particularly concerned," he wrote, "with the democratic threat to corporate well-being." He protested that proposition 5 on the, 1978 California ballot, which was designed to broaden non-smoking areas in public places, "cost \$6.5 million to defeat." He concludes that "Direct democracy becomes a threatening ballot box tool."

If direct democracy can raise the costs of corrupting government decision making, then perhaps we can use a little more democracy.