

**OBSERVER**  
Russell Baker

## No Posse Around Here

When I arrived in New York indictment had been widespread for months. All over town lawyers were standing outside courthouses and jails telling television crews that though their clients may have taken the money they had done nothing illegal.

Behind every lawyer delivering this ritual announcement stood a corrupt politician wearing an upright face. The demand for upright faces in New York must have been at a record peak. I imagined workers in New York's upright-face sweatshops working round the clock to keep up with the demand.

An impressive assortment of the politicians who were instrumental in making Ed Koch Mayor of New York, as well as grafters who ended up in the Koch government, were either indicted, convicted or waiting for the sheriff to knock on the door.

This week's embarrassment was Bess Myerson, originally famous for being a Miss America but in recent years famous for being Mayor Koch's best pal. Behind every lapse in ethics there is doubtless a story with heart-break potential, and the Myerson story is one of the best.

Its ingredients are basic soap opera, starting with a romantic attachment to one Carl Capasso, a contractor separated from his wife. The word "contractor" instantly sounds an alert along a New Yorker's ganglia, for the unions that contractors must deal with in New York are not like the Boy Scouts of America.

Contractors who are sissies rarely go far in New York. To get anything done, sometimes they go too far. In this instance what Capasso wanted to get done involved his court-ordered child-support payments and maintenance payments to his wife, which were running at \$1,850 a week. He wanted relief.

Bess Myerson, who was then city Commissioner of Cultural Affairs, knew a judge with a daughter. She hired the judge's daughter onto her staff at \$19,000 a year. Two weeks later the judge reduced Capasso's weekly payments from \$1,850 to \$680 a week.

She says she "has done nothing unlawful." Capasso, whose problems were truly complex, has since pleaded guilty to tax evasion, been fined \$500,000 and sentenced to four

By William McGowan

The national competitiveness issue seems destined for big play in the upcoming election year. There will be a lot of rhetoric until November 1988 about trade wars, industrial policy, worker retraining, investment incentives and more. Regaining our lost national edge, however, might require steps other than modernizing the means of production and making the rules of the marketplace more fair.

If the performance of our so-called human capital is of critical importance — as many say it is — then these other adjustments, taken by themselves, won't go far enough.

In fact, we might have to acknowledge a significant paradox — namely, that to recapture ground we have lost abroad we may have to reduce some of the competitive pressures we have placed upon ourselves here at home. At the very least, we must insure that competition is constructive rather than destructive.

That we may soon be forced to confront such a paradox is not currently part of the conventional wisdom, which myopically equates competitive pressure within our own society with gains in productivity and international market share.

Yet many aspects of American life right now are already too demanding, and it is this counterproductive, hustle-butt air that is undermining our

## A way to regain the national edge.

performance as a nation by misdirecting the talents and energies of the workforce.

Is the kind of intensified competition we have seen in the 80's — boldly underscored in the pressurized markets for housing, education and jobs — something that puts our best people and their best work forward? Does more strain necessarily translate into more gain? Or is there a point of diminishing returns?

These questions are particularly

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# Less Domestic Competitiveness, Please

important for the educated and professional middle class, especially the rising generation of baby-boomers — the sector whose performance will play such a pivotal role in keeping our cutting edge keen.

While a demanding economic climate gives people obvious incentives to work harder and be more focused in their careers, the pressures of tighter times, particularly if child-rearing is involved, inhibit people from making moves where the return isn't readily apparent or guaranteed.

It restricts them, instead, to safe professional channels. The result is that people are discouraged from taking productive risks at just the point where the demands of international competition cry out for them to do so.

Strapped by mortgage costs and rents that can consume more than half of an individual's income, few people are following career paths for which there isn't a hefty paycheck in the picture every week.

Skyrocketing fees for higher education have saddled many young people

with heavy debts, likewise channeling them toward jobs that pay very well very quickly instead of careers that may have more long-term social and economic utility — teaching, for example, or manufacturing.

Additionally, far too many loan-laden people are forsaking graduate and professional education altogether because of the costs. However hard it is to measure now, the impact of this trend toward truncated higher education will manifest itself later on by denying us the expertise, innovation

and intellectual capital we will require, as a nation, to stay in the running.

College costs have also drained another source of economic vitality — parents. Having spent years working for someone else, and having finally accumulated enough experience and capital to launch their own entrepreneurial ventures, thereby generating wealth, many are discouraged from doing so by the hefty fees they suddenly have to pay for their children, who often reach college age simultaneously.

Another factor often overlooked in the competitiveness debate is the grotesque machinery we have set up to test competitive abilities. This machinery, like the escalating costs for housing and education, tends to encourage early and empty achievement devoid of long-term payback for society as a whole. The absurd premise of the so-called better baby movement is that the race will go to those kids quickest out of the gate. Yet this premise may turn out to be self-fulfilling: Those with the real goods, elbowed aside while young and under-achieving, might never get the chance to bloom later on in a system that increasingly confuses true merit with high test scores produced at the correct age.

Scholastic Aptitude Tests and the culture of credentialism might indeed certify that students and job candidates have the potential to perform well, but is the meritocracy promoting people who are actually performing optimally, or directing them into areas where their skills are most needed?

The society may ridicule MBA's and young corporate lawyers for their greed, but it might serve us better by training its attention on the system — and the values underpinning it — that sends flocks of our best and smartest people into high-paying, high-status positions that stress gamesmanship and profiteering over productivity and long-term growth.

Before things get better, our standing in the global marketplace is likely to slip even more. Shrinking opportunities are likely to make us more competitive in the grinding, self-defeating sense of the word, further sapping real competitive strength and productivity — a cycle that feeds on itself. A strong and equitable society depends on recognizing and reversing that trend. We live in a time when the popular notion of competition is defined by Wall Streeters selling money to each other. But competition should be seen as a means to an end — not an end in itself.



Victoria Roberts