

nicknames that military men use—the F-14 fighter is simply a “Tomcat,” for instance, and incoming air-to-surface missiles are “Vampires.” Others have attempted to do this and failed miserably. (General Sir John Hackett’s *The Third World War* included a glossary that most readers very much needed to use.)

Clancy does not spend page upon page “developing” his characters, and this is purposeful, for Clancy’s characters are only important insofar as they contribute to the relentless march of events.

He is amazingly good at thumbnail sketches—the murderous terrorist, the cringing bureaucrat, the plodding intelligence analyst. In the opening scene of *Red Storm Rising*, we are with a group of suicidal Muslim terrorists as they set fire to a Siberian oil refinery. Even as we recoil from the brutality of their killings, we understand what drives them.


Shortly after the fire, we join Mikhail Eduardovich Sergetov, candidate member of the Politburo in charge of oil production, a senior bureaucrat on his way to an uncomfortable Politburo meeting to explain how the disaster could have happened. Sergetov is thankful that his earlier reports are already on file opposing the use of Muslim personnel in sensitive posts. We instantly recognize the bureaucrat whose first thought is not of the incident or of those who will suffer from it, but of protecting his own hide.

Clancy’s books are cavalcades of such characters, swiftly, sharply, often ironically sketched. Many display flashes of heroic behavior in the heat of the moment, and a few are genuinely idealistic. Clancy has no James Bond or Rambo-style supermen prevailing against impossible odds. His operations and skirmishes are fought by ordinary professional fighting men and the outcome is decided by their inherent qualities, good or bad.

What emerges from it is a picture of fighting men, mostly simple men doing their jobs as best they can under difficult circumstances. They rise to the demands of perilous situations, with discipline, skill, and courage, as well as fumbling, guesswork, and fear.

“No one appreciates the people we have in the Navy”, Clancy says, “because you can’t see what they are doing 2,000 miles away and 400 feet down.” But we recognize these people, and we can see them for ourselves. They’ll do the right thing without many words or any fuss.

In the film contract for *The Hunt for Red October*, Clancy insisted on a clause stipulating that the film would not hold the Navy up to derision, because he thinks that would be wrong. “Most Americans are patriots outside of Washington, D.C.,” he says. “The term superpatriot is, I think, deliberately pejorative, as if there’s something wrong with it [patriotism]. The people we have in the Navy are good people. All I do is try and portray them as fairly as I can.”

The working title of his next novel, which Clancy cryptically says is based on the fourth chapter of *The Hunt for Red October*, is, appropriately enough, *Patriot Games*. 

Califano was in charge of administering the government’s health care programs.

But Califano’s new book, *America’s Health Care Revolution: Who Lives? Who Dies? Who Pays?* marks a major shift from his old-line liberal thinking to a much more conservative approach. Now he proclaims that the marketplace should be the primary factor in determining the cost of health care.

For more than a decade, I was convinced that the job of reining in health care costs was too big for the private sector, that only the government could do it, and that government had to do the whole thing. That’s why, as secretary of H.E.W., I proposed an across-the-board cap on hospital charges that would have controlled payments by all private insurers as well as the government. My years at H.E.W. and six more outside government, led me to believe that the great hope of containing health care costs lies in an aroused private sector.

Califano even seems to joke about his earlier misguidedness. Of his initial conversation with Lee Iacocca to discuss joining Chrysler’s board of directors, Califano tells this story:

‘Look,’ Iacocca said, ‘I’ll set up a committee. You. Me. Doug Fraser [the president of the United Auto Workers union and a Chrysler board member]. The three of us did more to create this mess than any other three people in America. You and those Great Society programs. Fraser with his crazy demands for health care benefits in union contracts. And me—I agreed to damn near every one of them.’

Quite a pronouncement from a Johnson Democrat. To be sure, he has not departed his old ways completely. He believes that the government still needs to oversee health care policy and act as a provider of

Buddy Matthews is a senior policy analyst at the National Center for Policy Analysis in Dallas.

America’s Billion-Dollar-A-Day Habit

America’s Health Care Revolution: Who Lives? Who Dies? Who Pays? by Joseph A. Califano, Jr. (New York: Random House, \$17.95).

Reviewed by Buddy Matthews

As the top assistant for domestic affairs under President Lyndon Johnson from 1965 to 1969, Joseph Califano is one of the main people we have to thank (or to blame) for Medicare and Medicaid. Furthermore, as Secretary of the Department of Health, Education, and Welfare (H.E.W.) under President Jimmy Carter from 1977 to 1979,

last resort to the elderly, poor, and unemployed. But this is a far more modest role than he promoted during the Great Society era.

The major shift for Califano seems to have come during his stint at Chrysler, as chairman of the health care committee. His task was to lower Chrysler's health care costs. In this effort, he began to scrutinize the economics of the medical industry. What he found was that though Chrysler was paying \$300 million a year for health care, there was no quality control, no accountability, no sense of what care their employees needed. Califano began to seek information from reluctant insurance companies. Here is one example of what he and his staff found:

We asked physicians to investigate eight Detroit area hospitals with extraordinarily high percentages of non-surgical admissions for low back problems. They found that two-thirds of the hospitalizations—and 2,264 out of 2,677 of the total hospital days (approximately 85 percent)—should never have taken place.

The rest of the chapter on the Chrysler experience, indeed the whole book, is filled with similar examples. But the greater lesson is that such problems are not insoluble—and the market can help to solve them. According to Califano, Chrysler saved \$58 million in medical costs in 1984. "Hard negotiating buyers, who treat health care like the other products they purchase, can change the system—and we are only beginning to realize the benefits of competition," he writes. Califano's findings at Chrysler are important because he believes that America's health problems are Chrysler's health problems writ large.

Sick Pay

In just a few decades, health care costs have risen from a relatively insignificant part of the gross national product to become America's third largest industry, employing one out of every 14 Americans and comprising 10.6 percent of the GNP in 1984. Today Americans spend well over a billion dollars a day on health care.

Steep price increases have accompanied this growth. In 1983, for instance, health care costs rose by 10.3 percent while the overall price index rose by only 3.8 percent.

In an attempt to solve the numerous and appalling problems so well exposed, Califano offers a number of recommendations. Some are innovative, many are commendable,

Califano now proclaims that the marketplace should be the primary factor in determining the cost of health care.

Califano believes that these cost increases are primarily a result of the way people and companies in the health care industry are remunerated for the goods and services they provide. Physicians have historically been paid on a fee-for-service basis while hospitals use a cost-plus system. Most reimbursements have been provided for through the third-party payer system, which deflects the full economic impact of a patient's decisions. Under the third-party payer system, a patient need only pay about 10 percent of the bill, with insurance picking up the rest of the tab. That makes health care cheap for the patient, who is therefore not encouraged to make efficient medical choices.

Before the passage of Medicare and Medicaid in 1965, the American Medical Association (A.M.A.) and other groups fought strongly against any type of government sponsored health insurance as being socialized medicine. It was not until physicians were able to obtain a fee-for-service guarantee (defined as the "usual, customary, and reasonable" fee) and hospitals were granted a cost-plus reimbursement that the medical community acquiesced. The result, in terms of health care costs, was a disaster. By the end of the first year, the annual rate of increase in that "usual, customary, and reasonable" fee had doubled. After praising Medicare and Medicaid for leading the way to a healthier nation, Califano writes that the "fee-for-service reimbursement system became a blank check for American hospitals and doctors, and they didn't hesitate to draw on the account."

most deserve serious consideration.

His most important proposal is to deregulate some aspects of the medical monopoly. Laws regulating who can practice medicine have not kept up with the growth of specialized health paraprofessional programs. Many people have the training and ability to do simple medical tasks, but are forbidden to do so by the doctors' monopoly and restrictive laws, which have been "perpetuated and perverted to hurt [consumers] by keeping fees high."

Califano's other major proposal is to change the way health care is paid for. Instead of the historic fee-for-service method of paying physicians, he offers two options. One scheme would entail an individual, family, or corporation paying a physician a yearly fee, which would cover tests, exams, advice, and routine illnesses. Each client would have to follow the doctor's counsel. If the consumer began to gain excessive weight, to smoke, to do anything that would jeopardize his health, the fee would be increased. A physician or individual who did not want to be covered under this type of plan might work under a fee-for-illness plan. In this system, a patient is charged by the illness rather than by the visit, so that a client coming in for a earache or a cold might be charged less than a patient with a broken leg or some other serious injury.

Rates for various illnesses could be posted in the physician's office so that consumers could do comparative shopping. The fee would also cover any additional visits until the patient had recovered.

Neither of these proposals is radi-


cal. The first recommendation is essentially how a health maintenance organization (H.M.O.) operates. The second plan is similar to how most obstetricians charge for their services. A flat fee is charged for delivery, unless there are complications, for which the woman is entitled to come to the office as often as necessary during her pregnancy.

Califano also recommends that hospitals begin to move toward a fee-for-illness system, a plan which would approximate the new diagnostic related system (D.R.G.) adopted and presently being implemented by Medicare. The D.R.G. system sets a flat fee for which Medicare will reimburse a hospital for a given diagnosis. If the patient leaves early, the hospital profits. If the patient lingers in the hospital, the hospital loses money. This system is supposed to encourage hospitals to be more efficient with their resources and reduce any monetary incentive to retain a patient.

If this country is to have a health care revolution along these lines, says Califano, American business must lead the way. "Aroused American businessmen are the critical catalysts we need to provide a variety of effective answers to the problem of escalating health care costs." The reason is simple. Business, especially big business, has the manpower and the financial leverage to initiate new forms for providing health care.

Califano does not break completely away from his liberal background. In some respects, he prefers an expanded role for government: he wants it to require employers to assure their employees' health care and would provide government medical insurance not just for the elderly and the poor but the unemployed also. In his reasoning, an aggressive corporate America will bring the cost of health care down, thereby making it much more affordable for the government to protect the needy.

But increasing the role of government in health care might easily offset any gains made by business. Even Califano admits that as a health care provider, government has a dismal record when it comes to cost efficiency. But this call by Califano for

more government is quite trivial in relation to the rest of the proposals in his book. When a confirmed liberal calls for market-oriented health care policies, it gives one reason to hope that perhaps a new consensus is beginning to emerge. 

A Dream Denied

Conservatism: Dream and Reality
by Robert A. Nisbet (Minneapolis: University of Minnesota Press, \$25)

Reviewed by Paul Gottfried

Conservatism: *Dream and Reality* is the latest book in a string of distinguished works by Robert Nisbet, going back to *The Quest for Community* (1952) and *The Sociological Tradition* (1967). Although Nisbet's post-1960 books have been generally leaner than his voluminous early studies of social theory and social crisis, certain *leitmotifs* run through almost all his writings.

One is an often mordantly expressed concern about social leveling, which Nisbet sees as furthered through plodding bureaucracies as much as through acts of revolutionary violence.

Bureaucrats rule by obliterating inherited social distinctions and any institutional arrangements that stand between themselves and uniform control over others. Managerial government is not a value-free force.

As Nisbet observes when he describes Jeremy Bentham, the utilitarian thinker:

The endeavor to create a professional civil service to do what 'the great unpaid' had done for so long and so inefficiently, it could well be argued, is respectable. But what was not respectable, what is horrifying in the judgment of conservatives, was the nightmarish world of cold reason,

bureaucracy, permanent reform, bloodless charity, and total absence of emotion and feeling that Bentham foretold.

Nisbet couples his distaste for bureaucratic mechanisms with a strong belief in the value of intermediate institutions such as the family, church, and trade associations. He views such institutions as lines of defense for the individual and the family against bureaucrats and reformers intent upon human reconstruction. Tracing such notions to the French Enlightenment's hope of remolding human nature according to a rational uniform blueprint, Nisbet notes that political rationalists subvert individual and corporate freedoms while claiming to free people from the dead hand of the past.

Intermediate institutions, particularly the family, not only pose an obstacle to the further spread of political rationalism and bureaucratic control; they also correspond, as Nisbet sees it, to man's moral and educational needs. Like Edmund Burke, whom he praises lavishly, Nisbet believes that people become ethically responsible through a civilizing process begun in the family. Duty, obligation, and civility are formed through early, steady contact with parents and other transmitters of an inherited culture that contains metaphysical and moral values. Rarely, if ever, do people become good from learning and reflection.

Nisbet's writings all include statements of what can be described as classical European conservatism. He exalts hierarchy, defends the need for ascribed relationships in a well-ordered society, and assumes the naturalness of politically recognized gender distinctions.

For Nisbet, the term "medieval" has a thoroughly positive association. He reminds us that the Middle Ages emphasized the social bond, and as he states in *Conservatism: Dream and Reality*, had been rich in "semi-public autonomous bodies . . . freed of direct responsibility to legislature or the people." His ideal society, if one might use a concept that he would deplore, would be largely agrarian, founded upon custom and received authority, and be

PAUL GOTTFRIED is senior editor of *The World and I*.