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WKU Honors Program

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The Western Kentucky University Student Honors Research Bulletin is dedicated to scholarly student research and writing. These papers are representative of the quality work done by many students throughout the University.
FOREWARD

We present the 1991-1992 edition of the Student Honors Research Bulletin with pleasure and pride. As in previous years, the papers represent a broad spectrum of Western student concerns. We hope that you will find these papers interesting and informative.

Walker Rutledge of the English faculty and I reviewed all papers submitted for the Bulletin. We have chosen those we believe display the best overall scholarship and writing. Unfortunately, many other good student papers were received but could not be included.

We commend the authors of these papers for their dedication to quality research and writing. We are truly proud of their accomplishments. We hope that the selection of their papers for the Bulletin will encourage them to continue to develop their research and writing skills and to write for other publication outlets as well. We hope that the publication of the Bulletin will inspire other students to aspire to high quality in their own research and writing.

Finally, we thank the faculty who contributed their best student papers for consideration. We look forward to receiving many good papers for the 1992-1993 Bulletin.

Sam McFarland, Director
University Honors Program
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CORPORATE CHARITABLE CONTRIBUTIONS:
IS PHILANTHROPY AN APPROPRIATE USE OF FUNDS?

David Sparks

Setting The Stage

Corporations are a much maligned element of society. Scarcely a day goes by that one does not pick up a newspaper and read of pollution, plant closings, insider trading, product liability claims, or other alleged violations of the public trust. Unfortunately, in all too many of the situations the criticisms have been warranted. On numerous occasions, corporations have been guilty of outright violations of the law. A significant number of the charges leveled against corporations, however, deal with circumstances in which the law is vague or nonexistent. In other words, the conduct in question is not necessarily illegal per se, but appears to violate the observer's ethical standards. An example would be Nestle's campaign to market infant formula in underdeveloped countries during the 1970s. Various activist groups began a boycott of Nestle products because they felt the corporation had sold formula to uneducated mothers without proper directions for use. This activity allegedly increased the infant mortality rate in these regions (Pride and Ferrell 80). A firm can thus face stern rebuke even for a decision which was conceived with worthwhile, legal objectives—in this case, reducing malnutrition among children and increasing profits by selling more formula in the areas of the world with the highest birth rates.

Criticisms of this sort can never be completely eliminated; after all, there will always be groups of people whose ethical values and opinions lie outside the mainstream. Holding different viewpoints about ethical issues is not necessarily bad. Spirited debate from each position can enlighten an audience and result in more thorough consideration of an issue. Regardless, it is widely perceived to be in the best interests of society in general and businessmen in particular for all corporations to act according to high standards of conduct.

While corporations account for only 10% of all businesses, they are responsible for 80% of the total dollar value of sales recorded each year (Brigham 9). Indeed, the very largest multinational corporations exceed many countries in total revenues per year. General Motors, for example, has annual sales greater than the gross national product of Switzerland, a relatively prosperous First World nation noted for its bankers and skilled workmen (Vagts 34). The power and influence of corporations is enormous. Possessing a power to marshal resources and manpower rivaled or exceeded only by governmental units, these entities provide an astounding potential for good. Can this potential be tapped? Perhaps most importantly, is it desirable for the corporation to concern itself with the problems of the world at large? These are the questions which will be explored during the course of this paper.

To the extent that corporations are willing to help solve pressing social problems, society as a whole will benefit. Private businesses, no matter how large and successful, cannot be expected to alleviate all the problems a population causes for itself. Such a charge would serve to punish firms who have operated wisely and efficiently. What may be expected, however, is for corporations to share a portion of their collective talents and management expertise through involvement in community affairs. The rationale behind this statement derives from what is known to business scholars as the open systems concept.

Businesses do not operate in a vacuum. Instead, a business must interact with the various components of its environment. From the local area a firm draws workers, utilizes transportation systems, relies upon local utilities, and sometimes extracts natural resources. Relocation and/or expansion decisions are frequently made only after exhaustive studies of various locales, for the local environment may dramatically impact profitability. The viability of a business is thus somewhat entwined with that of the community in which it operates. Problems of one will eventually affect the other. Professor James Thompson's opinions on this topic are frequently quoted and worth citing:

Approached as a natural system, the complex organization is a set of interdependent parts which together make up a whole because each contributes something and receives something from the whole, which in turn is interdependent with some larger environment.... Organizations are not autonomous entities; instead, the best laid plans of managers have unintended consequences and are conditioned or upset by other social units—other complex organizations or publics—on whom the organization is dependent. (Thompson 6-7)

Because a corporation must have interactions with the local environment, it is desirable for these relations to produce a net gain for both parties. A charitable contributions program is one option a company may choose in order to improve its relationship with the community in which it operates.

Definitions

At this point it will be useful to pause and establish a set of working definitions for use throughout the paper. Limitations on the scope of the thesis will also be cited in the following section. Additional definitions will be presented as necessary during subsequent sections.

Discussion will be confined to charitable contributions by corporations only. A corporation, a legal entity created under the laws of a particular state, exists as a separate "person" from its owners and managers. Organized to operate for business
purposes, it offers the advantages of unlimited lifespan, easy transfer of ownership, and limited liability (Brigham 10-11). Ownership is divided into shares of stock. These shares of stock may be held privately or sold to the public at large. Only public corporations will be considered in this paper. While both sole proprietorships and partnerships also donate resources to charity, the crucial issue of fiduciary responsibility to the actual owners of the business does not surface in non-corporate giving.

In addition, information about contributions from these other types of business organizations is difficult to collect and analyze.

As the term will be used in this paper, ethics is the basis for deciding right from wrong (Pamental 548). The concepts which describe the things each individual considers good, honorable, and desirable make up values, and these values in turn create one's set of ethical norms. Using ethical norms, people make decisions concerning ethical issues. Judgments are made by comparing new situations with pre-existing moral standards. Therefore, ethics is a highly subjective discipline; standards may differ from person to person. Within a culture, however, a general set of ethical principles will tend to gain widespread acceptance. Viewing the greater degree of predictability and stability which results, one may conclude that social welfare is increased by a common ethical system. Each separate culture may have a distinct conception of what is morally acceptable. For this reason, subsequent discussion of ethics will be confined to the United States.

Business ethics is defined simply yet broadly as that body of the overall ethics of a culture which affects the marketplace. Alternatively, it may be seen as the application of ethical principles and reasoning to the world of business (Pamental 547).

Those who study business ethics want to see how managers and employees handle situations in which important ethical considerations come into play. As an example, how much responsibility does a firm have to a local community and the many employees who would suffer if a massive layoff were implemented? Should their welfare have equal standing with that of the corporation, which would incur losses if it kept employees on the payroll during a period of dismal sales? If cost-reduction measures such as a layoff were not chosen and the corporation eventually had to declare bankruptcy, has the firm not committed an even greater sin to those workers who would have kept their jobs and to the community at large? Ethical decisions in business have many sides, each of which has merits of its own. Those who would study business ethics need to stimulate their moral imaginations, recognize which decisions have weighty ethical components, determine under which conditions moral obligations arise, and refine their analytical skills (Pamental 547).

Corporate social responsibility may be viewed as a subtopic under business ethics. More precisely, the term will be used within this paper to refer to the alleged obligations a business has to those outside itself. "Alleged" is a deliberate word choice, for debate does not concern relationships covered explicitly by the law. At issue instead is that nebulous body of actions which a corporation "ought" to undertake. The context in which corporate social responsibility will be examined is in those situations where this responsibility takes the form of charitable contributions.

A good term for all parties which have an interest in the health and vitality of a corporation is stakeholders. Stakeholders include the people who own stock in the company, the employees, the customers, the suppliers, the governments who receive tax revenues from its profits, and the local communities which host the business and rely upon it for stable employment and responsible use of the environment. Does each of these parties have an equal interest? One view is that the corporation's primary responsibility must be to its owners and to the people whom it employs. Determining what, if anything, is owed to other elements of the environment is the subject of much debate. Through the course of this paper it will be maintained that a corporation does indeed have responsibilities to those outside the factory walls. Corporate success may be heightened when the firm intelligently faces this challenge.

Premises

Because they do not exist apart from the local environment, corporations must be encouraged to take an active role in the life of the community. A symbiotic relationship can develop in which each party receives something of value and profits from the partnership. Charitable contributions programs need to continue because they make corporate social responsibility manifest. Unique among business organizations, the corporation has the requisite size and resources to influence the long-term environment in which it must operate. Because it possesses resources, personnel, and the managerial ability to combine these inputs efficiently, the corporation may be an instrument for positive social progress. The wealth of stockholders is enhanced, not squandered, by the tangible and intangible benefits which may accrue to firms that practice charitable contributions. Certain other premises must be enumerated:

1. Mere profit maximization should not be the only objective of businesses.

2. An excessive focus on immediate profits may endanger long-term survival and prosperity. Corporate contributions may be viewed as an investment in the future, not a foolish waste of profits.

3. Extreme poverty and other states of need violate commonly accepted ethical principles in our nation. Reduction or elimination of many similar social problems strengthens a country and should be the concern of American citizens and businesses.

4. Government alone has proven incapable or inefficient at solving certain social problems. Private-sector initiatives are beneficial because they typically can occur faster, more efficiently, and with a greater degree of innovation than public solutions.

5. There are a number of different forms which corporate contributions may take. In addition to cash gifts, a business can donate excess inventory, encourage employees and executives to give of their own time, allow community groups to use company facilities for meetings and special events, and design other programs which match corporate resources with local needs.

6. Critics have charged that some corporate charitable contribution programs are nothing more than an attempt to buy off the public, deceiving them into a belief that the corporation is completely ethical in all of its conduct. While this is probably
true in a few instances, the large majority of corporate givers contribute out of a desire to aid worthy causes and improve their own public image—both perfectly legitimate goals.

7. In the final analysis, the true motives behind corporate giving are not nearly so important as the fact that improved social welfare may result. Forthcoming discussion will expound upon these numbered premises. Real-world examples will be used whenever possible to clarify important concepts and to provide insight into the practical side of corporate giving.

An Opposing Viewpoint: Milton Friedman

Not all business scholars believe corporate responsibility should extend beyond the narrow confines of the marketplace. Nobel Prize-winning economist Dr. Milton Friedman would object to the first premise advanced by this paper. In his opinion, the sole obligation of corporate executives is to maximize profits. As agents charged with investing shareholder wealth, these managers have an ethical obligation of loyalty to their principals. They have a fiduciary responsibility to capture the highest returns possible on these investments. He charges that executives who believe in an expanded social responsibility are spending other people’s money in ways they did not necessarily approve:

In a free enterprise, private property system, a corporate executive is an employee of the owners of the business. He has direct responsibility to his employers. That responsibility is to conduct the business in accordance with their desires, which generally will be to make as much money as possible while conforming to the basic rules of the society in which it exists...

What does it mean to say that the corporate executive has a “social responsibility” in his capacity as businessman? If this statement is not pure rhetoric, it must mean that he is to act in some way that isn’t in the interest of his employer.

...the corporate executive would be spending someone else’s money for a general social interest. Insofar as his actions in accord with his “social responsibility” reduce returns to stockholders, he is spending their money. Insofar as his actions raise the price to customers, he is spending the customer’s money. Insofar as his actions lower the wages of some employees, he is spending their money. (Friedman 31-32)

It can be maintained that corporations which give to charitable causes may indeed be acting in the best interests of their owners. The present and long-term benefits to stockholders, customers (society at large), and employees can exceed the immediate costs. Why is this so? There are several explanations, but the overall reason is that efforts to improve the environment in which the corporation must exist increase the likelihood that the business will survive and prosper. Rather than merely reacting to conditions, the firm can attempt to influence circumstances in its favor.

According to Friedman, the company should leave charitable contributions decisions to individual stockholders instead of assuming they approve of corporate programs. Friedman continues:

The role of the corporation is to serve as an intermediary between individuals in their capacity as workers... and individuals as consumers.

They perform that role best when they direct their attention to maximizing profits. That is a measure of whether they are serving consumer needs. An enterprise that is losing money is not using its resources in the best interest of the public at large.

There is a very real social responsibility, and that is to make as much money as they can subject to staying within the law and within the appropriate ethical standards. Subject to those limits, their social responsibility is to make as much money as possible because that will best serve consumers. (“Freedom” 14)

A certain level of profits is obviously needed to keep any business operating in the short-term; over a longer horizon, economists would argue that it is also in the best interests of society for the most efficient firms to prevail because they will best utilize scarce resources (Heyne 132). How then may Dr. Friedman be challenged? One approach would be to argue that charitable contributions do indeed generate higher levels of profits, a consequence which Friedman himself acknowledges. Later in the paper this possibility will be explored.

A second approach is to dissect Friedman’s position that profit maximization must occur in the context of “staying within the law and within the appropriate ethical standard.” Deliberate misconduct or legal violations stemming from ignorance of the law—both of these situations must be condemned by honest businessmen. Few people would praise higher profits generated through disobedience to the law. However, the idea of an “appropriate ethical standard” may differ slightly from one person to the next. Reducing somewhat the amount of profits available for distribution as dividends by giving this money to charities would probably not offend the bulk of society. Moreover, many forms of giving do not even require cash contributions. Improved public image as a result of generosity may prove even more valuable in the long run to the company, and thus stockholders, than retaining this money.

Short-Sightedness by American Corporations?

Emphasizing short-run profits to the exclusion of all else is a charge frequently brought against American corporations (Peters and Waterman 35). If this allegation is correct, firms may be jeopardizing their long-term prospects for survival. Efforts to promote changes over a longer horizon may be a sign of enlightened leadership. The nature of many charitable contributions programs is that their impact is hard to assess quantitatively and results may not be apparent for some time. Acton Foundation manager Robert Roggeveen describes the reasoning used by many contributions executives:

We feel it’s important to invest in socially useful projects—
and even in ones where the utility factor is not obvious—

because we're part of the society we work in, and we're
trying to make that society healthier for everyone con-
cerned, including ourselves. We don't feel that's wasting
our investors' money. On the contrary, it's a far better use
of their funds than going for this quarter's profits while
everything else is crumbling around you. (Tuleja 97)

Mr. Roggeveen's statements begin to sharpen the focus on
the second premise. Notice the use of the word "feel" in his com-

ments. Even a corporation with a large, sophisticated contribu-
tions budget like that of Aetna Life and Casualty Company
may not be able to directly measure the impact of its giving.
However, programs which seek to maintain social stability in an
area, cure problems before they rage out of control, and shape
public opinion regarding the free enterprise system in general
are logical activities for a firm to pursue.

Friedman Revisited: Can Contributions Increase Profits?

Milton Friedman admits that it is possible for corporate
contributions programs to maximize profits in some circum-
stances. If this is indeed true, a powerful rebuttal has been found
to charges that even wise giving is an unjustifiable use of funds.
Friedman's commentary is intriguing:

Charitable activity in some cases may contribute to a
corporation's making as much money as possible. It may
be that an enterprise that needs the goodwill of the com-
munity, that wants to have its workers motivated to re-
gard the enterprise as one that's worth sacrificing for... may
find that the most effective way to promote that en-
vironment is to provide charitable contributions to the
local community.

In addition, the tax laws enable a corporation's
stockholders to make larger gifts through the corporation
than they could on their own...the corporation may serve
its stockholders by acting as a conduit through which
(they) can use their money most effectively. The best
way to do that is a way which has been done, I think, by only
one major corporation, and that's Berkshire Hathaway.

Warren Buffet says to his stockholders, "In addition
to X dollars that we are paying you as dividends, we plan
to spend Y dollars per share of stock as a contribution to
charity. Please tell us what charities you want it to go to."
The stockholders indicate what charities they want it to go
to, and the corporation sends the money to those chari-
ties. ("Freedom" 14-15)

Two new concepts and an application are mentioned by
Friedman in these remarks. First, he suggests that workers may
receive benefits from the fact that their employer contributes to
community causes. Perhaps children of employees are helped
by gifts to local schools, or maybe the general quality of life in
an area is improved. The firm itself will benefit if it retains the
services of inspired, loyal workers. Second, Friedman points
out that stockholders can sometimes channel more money to
their favorite charities when another party makes a gift on their
behalf. Berkshire Hathaway's contributions program cited by
Friedman is an example of a democratic way to aid charitable
causes. While this application of philanthropy is certainly laud-
able, it may be argued that other forms of corporate giving are
also ethical. Donations of excess inventory, loans of company
personal, access to company facilities—these are also viable,
worthwhile methods of aiding the local community. The discus-
sion which will be presented later will consider all of these
methods.

Empirical Support for Contributions Increasing Profits

A cross-sectional empirical study by an economist from
the University of San Diego has provided evidence that contri-
butions programs can help maximize profits. Using data for
specific firms rather than the aggregate industry data utilized in
most studies of this issue, Peter Navarro finds that there is a sta-

tistically significant relationship between contributions pro-
grams and profitability afterwards. He theorizes that these re-

sults may be attributed to the fact that giving is a form of adver-
tising and that these programs are a sort of quasi-fringe benefit
to employees. Since the local community may become a better
place to live, workers are perhaps motivated by being a part of
what is considered a worthwhile organization (90). This har-
monizes with the Friedman analysis presented earlier. These
findings also make sense intuitively. One of the major themes of
the management classic In Search of Excellence is what the
authors term "productivity through people" (Peters and Water-
man 235-278). Commitment, innovation, enthusiasm: these are
the results obtained when employees are made to feel that they
belong to a company which truly respects its workers and their
value systems. Navarro further says that his research supports
the wisdom of current tax law, which allows a deduction of up
to 5% of pre-tax profits as corporate contributions. In addition,
Navarro calls for a tax reform which would treat corporate
charitable contributions as an ordinary business expense and
remove this 5% ceiling (90).

Charitable Investments

A growing school of thought suggests that giving should be
specifically designed to advance certain goals of the corpora-
tion. Termed charitable investment, this philosophy represents
an effort to match charitable gifts with a firm's "products and
goals." The basic premise of this theory is that if a corporation is
going to make charitable contributions anyway, these gifts
should be done in ways that aid the company (Dienhart 63). In
fact, this form of giving was the only type legal for corpora-
tions to perform until 1953. After the U.S. Supreme Court upheld
the New Jersey high court's decision in A.P. Smith Manufacturing
Company v. Barlow et al., contributions which did not neces-
sarily generate direct benefits to the firm were permissible (Na-
varro 66). Corporations thereafter began to contribute to causes
far removed from their area of experience and expertise—for
example, support of public television and; or performing arts by
the oil companies. Emerging environmental factors in the busi-
ness world during the last decade have caused many cost-
reduction measures to be implemented. Coupled with the de-
cline in public sector funding of many causes, increasing numbers of requests are chasing stable or shrinking pools of corporate funds. Businesses cannot give to every worthy organization if they want to remain open long; consequently, denying some requests is a necessary duty which sometimes makes the firm seem tight-fisted (Morris and Biederman 156). Against this background an emphasis on charitable investment makes sense. Giving to causes near the corporation’s line of business lets the firm operate in a realm it understands. It should be intuitively obvious that a multi-million dollar entity with highly specialized equipment and very knowledgeable personnel would be a powerful ally to any charity in that same line of work. How effective it would be if food companies gave to food banks, pharmaceutical firms to medical schools, construction firms to Habitat for Humanity, and advertising agencies to community organizations about to embark on fund-raising campaigns! The fact that there are real-world examples for the preceding scenarios demonstrates that many businesses believe that this is an easy, effective method of giving. The most successful corporations in America “stick to the knitting”; that is, they remain in the business area they know best (Peters and Waterman 292-305). Perhaps charitable giving should follow the same example. An executive who shares this belief is Dayton Hudson Corporation vice president Peter Hutchinson:

The mistake often made in corporate giving is to try to be too broad and too disinterested. We say that giving should be very interested. It should be completely integrated into the business’s major focus. The overall goals we have are goals that most effective giving programs have: to find linkages between our business and social concerns, and to use leverage with our funds so that you get the greatest punch for the dollar. (Tuleja 98-99)

For his own corporation, this philosophy is demonstrated by the contributions B. Dalton Booksellers makes to adult literacy programs (Dienhart 63, 68). In addition, the company owns several retail department store chains such as Target and Mer- vyns. With a customer base composed largely of women and young families, the corporation gives heavily to job training programs for women, daycare centers, family planning programs, and rape victim assistance (Tuleja 99). Unfortunately, these charitable activities have not been universally popular with all observers. News reports from November 1990 indicate that anti-abortion activists have mounted a boycott effort against Dayton Hudson because the corporation has supported family planning programs. Defending these contributions, the firm maintains that these clinics are in the best interest of young women. Thus, one sees that giving may be one method for a corporation to take a stance on social issues, even controversial ones, in order to protect customers and, by extension, itself.

Medical researchers around the country are indebted to the Bristol-Myers Squibb corporation for many grants. Since 1977 the company has given over $25 million for research into such areas as cancer, nutrition, pain, and orthopedics. The pharmaceutical firm has supplied capital at a time when government grants have been diminishing. Of particular interest is their Unrestricted Neuroscience Research Grants Program. Providing $3.3 million since its inception in 1988, it has funded landmark experiments such as the one at John Hopkins University in which human brain nerve cells have been grown in culture dishes, and a project at the University of California-San Diego that has had some success with stimulating growth in damaged brain cells (Walters editorial).

Private Initiatives for Public Problems?

Premises three and four are so closely related that they will be discussed together. Even in a society as wealthy as that found in the United States, there are those who have need for material goods. Uneven distribution of wealth is almost a given in any economy not based upon pure communism. Disparity in itself is not necessarily wrongful; it may reflect the greater skills or superior work ethic of a group. Extremes of poverty and squallor, however, are a violation of commonly accepted ethical principles in the United States. An exercise of compassion by those with greater material wealth is considered virtuous in our culture. But the continued existence of several social problems leads one to question the strength of the commitment to eradicate despair and/or the effectiveness of those institutions and programs which seek to combat the problem.

The government, especially at the federal level, has seemingly proven itself incapable of handling many domestic social problems. Blighted urban neighborhoods, hunger, illiteracy, poorly skilled workers, and inadequate educational systems in some locations come immediately to mind. In an era of budgetary constraints, citizens must look elsewhere for answers. One alternative, of course, is to change the government by implementing various reforms and/or replacing incumbents with fresh faces. Recent grassroots campaigns to limit the terms of Congressmen illustrate growing public unrest with the status quo. Despite this displeasure, an overwhelming number of incumbents were returned to office in the most recent election. Perhaps the financial advantages and name recognition enjoyed by these individuals were obstacles too great to surmount, or maybe the challengers were bland and not enough of a change. Any reforms to come in this area will occur slowly through the deliberate workings of the political process.

For this reason, private-sector initiatives appear an increasingly viable cure for various ills. An especially apt example concerns adult illiteracy:

Current estimates indicate that 26 million adult Americans can’t read; another 30 million are functionally illiterate—reading so poorly that they have difficulty coping in everyday life. In fifteen years, functional illiterates are expected to compose more than 30 percent of the population. Thus, the assumptions that workers can read, follow instructions, and heed safety warnings are no longer valid. The challenge for management in the 1990s will be to supervise and train the functionally illiterate. (Schuler and Huber 49)

Pacific Telesis Group, the California phone company, discovered firsthand how poorly educated some of the population
is. Out of the 3,500 people who took an exam during 1989 to apply for an entry-level position with the firm, only 5% passed. Poor reading comprehension skills apparently played a major role in these dismal results. Since the quality of the work force can dramatically affect the success of any business, Pacific Telesis was understandably worried. In a demonstration of long-range vision, the company committed $2 million over a five-year horizon to get to the root of the problem. They targeted elementary education for their efforts. The Education for the Future program is an attempt to create a blueprint for the school of tomorrow. Teachers, administrators, parents, students, and community leaders attend workshops sponsored by Pacific Telesis in which they brainstorm what elements the ideal classroom would contain. After developing specific proposals, the participants come to the corporation with funding requests. It is hoped that these experiments will uncover educational techniques which can later lead to widespread reforms in California and elsewhere. Thus, one sees a private business take the lead in an important social concern because it does not believe it can wait for some other party to solve the problem (Dennis 50).

The allure of the private sector stems from the fact that individual persons or firms can usually act faster and more decisively than the government. The very nature of having to operate in an intensely competitive environment forces businessmen to search for cost-effective solutions to problems. By and large, the men and women who work for successful American corporations are highly competent individuals with well-developed skills. Within their ranks are trained professionals from many fields, people whose finely-honed talents and expertise are among the best the nation has to offer. The brilliantly creative advertising agency writer who has conceived many memorable television commercials, the chief executive officer who has won acclaim for reversing the fortunes of a struggling firm, the gifted research and development employee whose innovative designs have produced numerous consumer goods, the star salesman whose engaging personality and thorough product knowledge have led to record sales figures — these are the types of people who epitomize corporate America. What would the results be if a mere portion of their time and effort were channeled into public causes? Society must encourage corporate involvement in community affairs. In turn, corporations must be convinced that activities such as charitable contribution programs are not a waste of profits. These programs must be seen as practical, pragmatic efforts to improve the environment in which the business must operate.

The Scope of Corporate Contributions

Over $4.5 billion is given to charity each year by American corporations (Rosebush 38). Although this is a large amount of money, it represents only about 1.8% of these firms’ pre-tax profits (Platzer and Duffy 1). Furthermore, only one out of every five corporations reports some level of tax-deductible contributions (Koch 6). The preceding facts demonstrate clearly that there is a vast untapped potential for good from these organizations. Perhaps no other sector in our nation is as lucrative a frontier for philanthropy.

A large majority of American corporations probably do contribute in some small fashion when approached by charitable causes, but certainly not to the extent which would really promote positive changes in local communities. It is quite possible that these firms do not realize the tremendous variety of ways in which they may give. Believing that the only thing they possess which a charity can utilize is cash, some corporations give only through writing a check. As the fifth premise of this paper suggests, noncash giving is useful. What firms may fail to realize is that they could also donate surplus inventory, share company facilities when they are not in use, loan the services of personnel, encourage employees to volunteer during nonworking hours, or pursue a number of other possibilities. Any type of charitable giving which is not merely a cash contribution is classified as nontraditional assistance. Information about the relative composition of corporate gifts for three representative years is given in Figure 2.

It will be noticed that nontraditional assistance is a growing part of philanthropic activities by businesses. Why is this so? Corporations which continued to receive requests from charities during recessionary periods became more and more aware that they could still help without spending crucial cash reserves. Changes in the tax laws made noncash giving more appealing, and soon thereafter a number of organizations arose to serve as clearinghouses for donations of inventory. Finally, government spending cuts which affected nonprofits have prompted them to become more conscious of the wide range of assistance which corporations can supply. Because charities now possess a greater awareness of this potential, they are more likely to ask for this kind of aid in the first place (Plinio and Scanlan 1). But before nontraditional assistance can be discussed, it is necessary to analyze what is still the predominant form of giving: cash contributions.

Gifts of Cash

The bar graphs in Figure 3 demonstrate the wide lead which cash has over all other forms of charitable giving. While noncash giving is growing, cash is still king.

Cash possesses the obvious advantage of being readily acceptable by virtually all charities. It is hard to conceive of a nonprofit organization which does not have some out-of-pocket expenses for which bills must be paid. Cash can be used for any purpose desired, unlike product gifts like computers, which have less flexibility. Outright cash gifts are also easy to value for tax purposes. Proving to the Internal Revenue Service that a claimed deduction is legitimate is simple; the worth of money is not subject to overstatement, and appraisers need not be hired. The contributor will find cash donations relatively simple to administrate. Management of cash assets is a highly refined skill in most corporations, so a sophisticated system of controlling and accounting for cash already exists. Cash giving is also useful from the perspective of some executives because the corporation will be finished with its obligation as soon as it makes the donation. There is no ongoing relationship which demands a portion of the manager’s already busy schedule.

Giving cash is not without its drawbacks. Once given, the business has no control over its disposition (Smith 45). Firms who believe that they have aided the poor in some way may
have unwittingly financed a Caribbean vacation for the operator of that "charity!" Scandals in various television evangelists' ministries during the past decade clearly demonstrate the fallacy that all money given to charitable organizations will be spent as claimed. Still other charities do not violate the law in their use of contributions, but spend excessive money on wasteful administrative expenses. Corporations, like individuals, must be careful to whom they give money if they care about truly helping those in need and not lining the pockets of the unscrupulous. One aid is *Money* magazine, which publishes in its December issue an annual listing of the 100 largest charities in America ranked according to what percentage of the funds they raise actually goes to targeted causes. This information is obtained from various watchdog agencies who seek to root out the unethical. In summary, wise contributions programs demand careful scrutiny, and this may require time and expense (Klepper and Mackler.2).

Turning attention to Southcentral Kentucky, one observes that local corporations believe in the value of cash contributions to express their philanthropic concerns. A discussion with a United Way executive at the Bowling Green office, Ms. Lisa Majdi, revealed that corporate givers accounted for 16.85% of the money raised in this region during 1990, a total of some $106,376. Area businesses seek to combat the dangers and inefficiencies inherent in cash giving by operating through the United Way. This well-known, highly respected national nonprofit organization takes the money it collects and distributes it to various community causes. Lowering administrative expenses associated with contributions and ensuring that only worthy organizations receive funding, the United Way enables charitable dollars to be spent wisely. On the following page will be found statistics ranking the largest corporate givers in this region of Kentucky for 1990.

### Cause-Related Marketing

Cash gifts do not have to take only the form of a company official sitting down to write a check. Linking charitable contributions to sales of certain products is a growing trend in America. Called *cause-related marketing*, the practice draws criticism even as it gains in popularity. Since only portions of the profits from sales of the specified products are actually remitted to the charity, the corporation receives a direct and tangible reward from a partnership with the cause. Detractors charge that the corporation is too blatantly promoting itself when the link between the company and the charitable cause is so obvious. They would view the mention of the cause and the corporation in the same breath as being somewhat inappropriate. On the other hand, supporters claim that programs of this sort result in a desirable win-win situation, with the charity receiving much needed funds and the corporation marketing itself in a creative new fashion. Indeed, some nonprofit organization managers favor cause-related marketing. They say it stimulates more support from corporations than would otherwise occur while enabling the charity to earn its own keep—the charity enhances corporate income in a measurable manner rather than appearing to drain it away. The director of the Denver Children's Museum has enjoyed considerable success in attracting both domestic and foreign corporate support by marketing the museum to firms interested in children and innovation (Rose-bush 40).

*United Way of Southern Kentucky Business and Industry Division Ranking of Corporate Contributions for 1990*

<table>
<thead>
<tr>
<th>Corporation</th>
<th>1989 rank</th>
</tr>
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<tbody>
<tr>
<td>Eaton Corporation</td>
<td>1</td>
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<tr>
<td>Fruit of the Loom</td>
<td>2</td>
</tr>
<tr>
<td>Houchers Industries</td>
<td>3</td>
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<tr>
<td>Logan Aluminum</td>
<td>4</td>
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<tr>
<td>General Motors Corporation</td>
<td>5</td>
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<tr>
<td>Citizens National Bank</td>
<td>6</td>
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<tr>
<td>American National Bank</td>
<td>7</td>
</tr>
<tr>
<td>Bowling Green Bank and Trust</td>
<td>8</td>
</tr>
<tr>
<td>DESA International</td>
<td>9</td>
</tr>
<tr>
<td>HCA Greenview Hospital</td>
<td>10</td>
</tr>
<tr>
<td>The Cumberland Savings Bank</td>
<td>11</td>
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<tr>
<td>Camping World</td>
<td>12</td>
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<tr>
<td>Castner Knott Company</td>
<td>13</td>
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<tr>
<td>United Parcel Service</td>
<td>14</td>
</tr>
<tr>
<td>First Federal Savings and Loan</td>
<td>15</td>
</tr>
<tr>
<td>Country Oven Bakery</td>
<td>16</td>
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<tr>
<td>South Central Bell</td>
<td>17</td>
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<tr>
<td>The Drackett Company</td>
<td>18</td>
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<tr>
<td>Sealed Power Technology</td>
<td>19</td>
</tr>
<tr>
<td>J.C. Penney Company</td>
<td>20</td>
</tr>
<tr>
<td>Wal-Mart Discount City</td>
<td>21</td>
</tr>
<tr>
<td>Lord Corporation</td>
<td>22</td>
</tr>
<tr>
<td>Winn-Dixie</td>
<td>23</td>
</tr>
<tr>
<td>News Publication Company</td>
<td>24</td>
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</tbody>
</table>

**new campaign**
NR not ranked last year

Source: Bowling Green office, United Way of Southern Kentucky

Cause-related marketing became popular after American Express made a promise to donate a portion of its credit-card profits to the campaign to restore the Statue of Liberty. By identifying the corporation so closely with the theme of patriotism, American Express found a profitable way both to promote itself and to aid a worthwhile, popular project (Corkery 47). Soon other firms took notice, and the number of companies participating in these programs has climbed steadily ever since. Picking up an advertising supplement to the morning paper on any given Sunday, one is likely to find an example of cause-related marketing. Perhaps 15¢ will be given to the March of Dimes for every can of Green Giant corn sold in the coming month, or maybe 20¢ will be contributed to the Muscular Dystrophy Association for every Folgers coupon redeemed before the end of the year.

Cause-related marketing at the national level can generate significant publicity across the country. An innovative new promotion has been undertaken by Ben Cohen, one of the founders of Ben and Jerry's Ice Cream. He has incorporated a new busi-
ness which will donate 40% of company profits from the sale of Rainforest Crunch (a type of peanut brittle) to a fund protecting Amazon rain forests (Corkery 47). Large-scale campaigns such as this can raise a substantial amount of cash.

Implementing these promotions in smaller markets is no less important and also garners attention from local media. A much-publicized example of cause-related marketing on the local level took place on Saturday, February 23, 1991. McDonald’s restaurants in Southern Kentucky and Middle Tennessee sold their regular hamburgers for 29¢, with all proceeds going to the new Ronald McDonald House in Nashville. This facility provides a place for parents and other family members to stay while their child is seriously ill in a hospital. Because they can stay closer to the child and receive emotional support from other families in the same situation, parents prefer this kind of arrangement to a hotel. Did both parties benefit from the promotion? Judging from the lengthy lines at the counter and packed parking lots, one would conclude that the idea went over exceptionally well in Bowling Green at least. Furthermore, observation revealed that the vast majority of those who purchased hamburgers also bought french fries, soft drinks, or ice cream. It would seem that McDonald’s utilized an excellent means of raising money for a charitable cause. Experts who predict more widespread use of cause-related marketing in the future are likely to be correct (Rosebush 40).

Donations of Excess Inventory

Alternatives to cash gifts are quite possible, and sometimes they are more creative and beneficial for all parties. Gifts-in-kind is a term which describes contributions of inventory. Dating back centuries, this type of giving was seen when “bakeries gave their stale bread to the poor or a haberdashery gave caps and mittens to the local orphanage” (Smith 42). Through the years additional variations on this theme have been utilized. An important governmental recognition of the value of gifts-in-kind came in 1976. IRS Code Section 170(e)(3) enables businesses to take an above-cost deduction for gifts of inventory to charities. The deduction is equal to the donated item’s cost plus the difference between this cost and the fair marketing selling value of the item (Bachman 620).

Contributing to worthy causes by means of inventory gifts is alluring for several reasons. Products sitting idle in warehouses and stockrooms are doing nobody any good; in fact, storing them involves a holding cost and takes up shelf space which better selling goods could otherwise utilize. Gifts in Kind America, an organization founded by the United Way in 1983, receives such products from corporations and acts as a middleman in the distribution process. Quoted in Gifts in Kind America’s 1989 annual report, Eastman Kodak Corporate Contributions Program Director Stanley Wright has this to say:

Our involvement...is motivated by a need to control our inventories and our desire to take full advantage of some very valuable tax credits. Through Gifts in Kind America, companies can trim excess inventories, free up needed and expensive warehouse space, and cut the staffing and record keeping associated with inventory storage.

(10)

All too often perfectly good products must be discarded because they can’t be sold or because they have become technologically obsolete to the modern corporation. Landfills all around the country bear testimony to the truth of this statement. At the same time numerous individuals and institutions are in need of certain goods. Charities and schools do not really need the most modern equipment to function well. When users are likely to be inexperienced or just beginning, it is often preferable for them to train on aging, less expensive machines. Having an older, less advanced version of an item seems preferable to not having it at all. Matching excesses with needs would appear to be in the best interests of society.

Excess inventory is a very common problem. When a firm overestimates demand, too many items are produced. Consumers may simply not like certain colors and styles. Some products are by their very nature fast-changing—computers and clothing come immediately to mind. When merchants can’t move their goods, they try to recoup as much of their investment as they can. Selling to liquidators is a common choice, but this may involve selling below cost. Corporations can also simply take their products to the local dump and claim a cost write-off on their tax returns. While this is completely legal, it may become a “public relations nightmare” (Smith 43). What citizen would not be outraged to learn that a company was throwing away winter coats when some people cannot afford them at all? Wise businesses should avoid potential future scandals of this sort.

Despite its merits, IRS Code Section 170(e)(3) creates some hassles and practical problems for businesses. Managers are afraid that inventory donated in the local community may wind up in the hands of dishonest people who try to return the items for cash refunds. Incidentally, the same fear that the public will try to obtain refunds for unpurchased merchandise is one reason why stores require people to have a sales receipt when they return items. Other merchants fear that donations will be used to supply schools and charities which are already customers, cutting into normal sales. To comply with the law, charities which receive gifts must supply the donor with a tax letter documenting the facts about the donation. Many small charities don’t have the personnel or the knowledge to do this paperwork quickly and correctly, so the corporation must show them how. Various middleman organizations were founded because their efforts could make transfers smoother and less problematic (Smith 43-44).

As previously mentioned, Gifts in Kind America was created by the United Way to tap the abundant potential of inventory donations. They have distributed more than a quarter of a billion dollars worth of excess inventory to charitable causes since their inception. On a yearly basis some 50,000 different charities receive products. This level of service is obtained with an administrative expense equal to only 1% of the value of the gifts, making the organization the most cost-efficient of its kind (fact sheet).

A good example of how Gifts in Kind America operates is found in their work with Lotus Development Corporation, a producer of computer software. The firm donated thousands of
spreadsheet packages to this middleman for national distribution. Applicants were reviewed, the most needy were selected, and the products actually shipped by Gifts in Kind America. Lotus's Director of Corporate Contributions, Mr. Michael Durney, provides this commentary:

[They] ensure that our products will be equitably distributed all over the country. When we coordinated our product giving internally, we discovered that we were surprisingly myopic in terms of geographic reach. Thanks to Gifts in Kind America, our products now reach needy groups in the farmlands of Idaho and the hills of Kentucky, as well as in urban areas like New York and Los Angeles. (annual report 6)

Notice how this executive pointed to the benefits of a wider distribution area for donated products. Because the corporation sells in a widespread geographic area, it is logical that they would like to build corporate image in this entire area also. Perhaps end-users will be satisfied with the software and purchase other Lotus products later if they have the opportunity. Product gifts may thus serve much the same purpose as giving away free samples to consumers.

Another organization which handles product gifts is Educational Assistance Limited. Operating out of Glen Ellyn, Illinois, this nonprofit organization takes a unique approach to handling gifts of excess inventory. In a letter to the author, Mr. Eric Anderson explained the work of his company:

Briefly, (we) trade corporate donations of excess inventory and assets with colleges and universities. In turn, tuition scholarships are given by participating institutions to financially underprivileged young people. Scholarships are awarded in the name of the donating company.

This innovative program has generated over five million dollars in scholarships and has helped over a thousand students with their college education. EAL's Excess Inventory for Scholarships Program is a win-win proposition for all parties concerned... (Anderson letter)

Other Forms of Nontraditional Assistance

Countless other methods of contributing to charity exist. The proliferation of new methods is limited only by the imagination of businesses. Developing these programs may be beneficial to all parties, as specific examples will illustrate.

International Business Machines (IBM) began a program in 1972 which enables an employee to get company contributions for local charities in which he is active. With grants usually ranging from $100 to $1000, the program is highly popular with employees because they can obtain more assistance for their favorite charities than they could provide on their own (Koch 50). In addition, the corporation has a Faculty Loan Program in which company employees teach at minority colleges and universities for a one-year period. During this time the employees receive full salary and benefits (Business Sense 27).

Suffering from high unemployment, “white flight” to the suburbs, and a shrinking employer base, the city of New Brunswick, New Jersey, was revitalized in large measure by the efforts of the Johnson & Johnson corporation during the late 1970s. The firm started the New Brunswick Development Company in order to create a new plan for the city's future. As a nonprofit corporation composed of corporate officials, other local businessmen, local politicians, and community leaders, the group made plans to reverse the town’s decline. Johnson & Johnson built a new $75 million headquarters building and a new Hyatt Regency hotel downtown in 1978. New Brunswick now receives over $2 million in annual tax revenue from this area, as compared to only $170,000 before the new construction occurred. An abandoned downtown department store was bought by Johnson & Johnson and sold to Rutgers University at no profit; the building was renovated to become the university's art school. Finally, the Development Company began daycare programs inside people’s homes, formed neighborhood task forces which then set up a summer concert series, and opened a career preparation center to help local youths obtain job training and placement (Tuleja 110-111). Cooperative projects joining corporate, civic, and private forces hold great promise in solving many local problems around the country.

Community Involvement Teams are a major expression of the Levi-Strauss Corporation's commitment to local charities. Groups of workers identify what they believe to be important local needs and begin assistance programs. Donating their own time and soliciting fellow employees to help them, the workers have greatly aided a number of causes. Projects in which these teams are involved are also prime candidates for additional cash grants from the Levi-Strauss Foundation. In 1975 alone, teams in 45 different cities where the company has a presence donated over 31,701 hours of volunteer time (Koch 52). This employee involvement program is an excellent example of how a corporation may encourage its labor force to improve community life. Both the firm and the workers stand to gain from the better environment which is created in the process.

The San Francisco pharmaceutical firm Syntex lets a community group called Ecology Action use a four-acre plot of company land for gardening. The land is more than just another company garden, even though some 50 employees join another 500 community members in raising crops. Most of the ground is devoted to researching organic gardening methods and other intensive agriculture techniques. Research findings are also published with assistance from Syntex (Koch 215-226).

An extremely innovative program of charitable assistance has been developed by the Xerox Corporation. Called the Social Service Leave Program, this method of giving allows employees to request a leave of absence from work for up to a year in order to devote time to charities. During this time the employee receives his usual full pay and benefits. An employee committee, not management, decides which applications are approved. The only requirement for workers following this program is that they must submit monthly progress reports; otherwise, they don't have to account for how they are spending company money. Xerox grants up to 264 months' worth of leave every year at a total cost to the firm of between $300,000 and $400,000, depending on which employees participate (Tuleja 105).

Returning to a local example, one observes that many employees of Fruit of the Loom, Incorporated, donate their...
time to community activities. Mr. Sam Abell serves as the speech coach for the 4-H Ambassadors Program, which prepares young people to recruit new members for 4-H and to otherwise describe the organization to outsiders. Among the community causes in which other employees donate time are the Bowling Green Human Rights Commission, Junior Achievement, United Way, the Bowling Green/Warren County NAACP, and the Rape Crisis Center Hot Line (Golden Anniversary 5).

**Criticisms of Corporate Contributions**

As the sixth premise of this paper would suggest, contributing to charitable and community causes is alleged by some critics to be a smoke screen for obscuring the total package of activities in which the corporation is engaged. In this manner, the firm is trying to buy off its detractors either by causing them to go away or by making critical evaluations seem less believable. While the enemy is being divided and conquered, the harmful activities go unchecked. This strategy has been used successfully before, so examples must be examined.

The Capital Research Center (CRC) is a conservative think tank which has studied the contributions policies of the top 250 American corporate givers over the last three years. Each year they publish a report entitled “Patterns of Corporate Philanthropy: Ideas, Advocacy, and the Corporation.” Inspecting the contributions statistics from 1989, the group found some implausible gifts which led them to question the true motives of the giver (Mandel 26). Oil companies such as Mobil and Dupont (parent of Conoco Oil) have given money to groups like the National Wildlife Society and the National Audubon Society. Both of these are highly reputable, worthy organizations; both typically oppose oil and gas exploration efforts. Insurance and financial services corporation Primerica gave $7,500 to the National Organization of Women’s Legal Defense and Education Fund. Why is this suspect? The fund in question has gone to court in an effort to stop insurance companies from using actuarial tables to set rates (women on average live longer than men; insurance companies make use of this information to adjust rates upward). Finally, giant agribusiness concern Archer Daniels Midland has given $10,000 to the American Farmlands Trust, a group which lobbies for more federal control of agriculture (Schmucker 12).

The companies cited above cannot logically hope that the groups they support actually succeed in their efforts. Why then do they give in this manner? Appraisal is one answer (Schmucker 13). The corporation must believe that it can keep critics at bay and limit the scope of protests. Many observers would classify this kind of giving as unethical. Instead of appearing benevolent and wise, the corporation strikes observers as being hypocritical and foolish. In remarkable opposition to the concept of charitable investment, the corporation appears to engage in charitable suicide. Why do stockholders let contributions executives get away with this practice? The reason is most likely because they are not aware of these particular gifts. Federal law requires that only contributions from company foundations be reported; money given directly from the corporation does not have to be revealed to stockholders (Man-

**It is conceivable that a corporation might point to its record of charitable giving to counter public perception that** the firm is harming the community. Facing an outcry over the discharge of waste products into a waterway, a company could publicize its gift of X dollars annually to various local organizations. The gist of this and other similar arguments is that the corporation on balance provides more benefits than harm to citizens and therefore its continued existence is vital. Is there a relevant example of this actually happening? Perhaps in Kentucky’s own Ashland Oil may be found this precise example.

A pair of much-publicized events illustrates the problems the firm has encountered due to its own fault. Two former Ashland executives were fired for revealing that the corporation had bribed Middle East government officials during the 1979 Iranian oil embargo. Eventually the former employees emerged victorious in a lawsuit that awarded them damages of 689.5 million (“They whistled” 50). The leakage of 750,000 gallons of diesel oil into the Ohio and Monongahela Rivers in Pennsylvania led to a November 1989 settlement in which Ashland Oil paid $32.5 million in damages. Pending final resolution of the Exxon Valdez disaster, the preceding case represents the largest sum ever paid to a state for an environmental violation (“Polluters” 38). Even through these difficult times, however, the firm has maintained its support for charitable causes in Kentucky and West Virginia. Ashland Oil is an important supporter of the Governor’s Scholars Program and Kentucky Educational Television. During many televised games, University of Kentucky basketball fans view public service ads from Ashland which state that “Education is the bottom line.” The firm’s contributions to many charitable causes began before the scandals became widely known, so one cannot establish a definite cause and effect relationship. It is nevertheless interesting to wonder what Ashland Oil hopes to achieve with such high visibility contributions. Is it actually a good corporate citizen with some unfortunate accidents in its past, or is it trying to hide a reality that is unethical at heart? It may be revealing to note that some current litigation could represent Ashland’s most expensive problem yet. An ongoing class action suit by 690 plaintiffs seeks an award approaching $3 billion for pollution-induced health and property damage (“Ashland trial” 5A).

An interview with interim management department head Dr. Brian Sullivan was very insightful into how some observers view charitable contributions programs. His opinion is that these programs provide a substantial return to stockholders in that they are very effective at changing public perception of corporations. Ashland Oil, for example, is one corporation whose image beyond the local region is largely negative. Dr. Sullivan notes that Ashland is thought to cut corners in many areas so as to save money. Unfortunately, many of these cuts undermine the corporation’s ability to prevent and clean up environmental violations. It has an impressive ability to influence Kentucky politics, as a recent piece of legislation would attest. Recently at Ashland headquarters, Governor Wallace Wilkinson signed into law a bill which limits the amount of damages a plaintiff can recover from a lawsuit against a Kentucky corporation. But Kentuckians do not hold such a negative opinion of the corporation. Perhaps it is due to Ashland’s highly visible
support of such causes as Kentucky Educational Television and the University of Kentucky.

Dr. Sullivan also notes that corporations can run a contributions program just as skillfully and professionally as they manage their other functions. Whereas a McDonald's can undertake a million-dollar public service campaign on national television and reap better consumer perception, a smaller corporation must pursue these activities on an affordable level. It can still run a finely polished contributions program designed to influence those individuals with which it must interact on a regular basis.

How could society prevent abuses by those firms which use charitable contributions to obscure their harmful activities? Dr. Sullivan suggests that corporations which wish to contribute should do so by giving to some kind of intermediary, whether it is the United Way or another neutral party created for this purpose. By establishing an overall depositary for corporate gifts, the direct link between the corporation and the charity is severed. The corporation could still publicize its support for worthy causes, but in the process charities would not be beholden to a particular firm.

Perhaps corporations which sell alcoholic beverages or tobacco should contribute in this fashion. These particular industries seem to attract a large number of extremely vocal, activist critics. Without delving into a lengthy discussion of the health dangers and societal problems which may result from use of these products, one may simply say that a large body of legislation exists to control their consumption, distribution, and promotion. Society must believe that these firms require close monitoring. No matter how altruistic the aims of corporations manufacturing these products are, someone will argue that acceptance of the gifts promotes product consumption. If these firms simply give to middlemen, individual charities will not face as much criticism for accepting the gifts.

On the practical side, society must think carefully about harsh criticism of contributions from the tobacco and alcoholic beverage industries. Because they are often huge conglomerates, tobacco companies in particular possess a wide range of potential gifts which they could share with the needy. Those who would object to RJR Nabisco's production of cigarettes might extinguish valuable contributions from subsidiaries Del Monte Foods, Heublein, Nabisco, and Standard Brands (Naylor 29).

In 1988 alone RJR Nabisco gave $47.5 million to various charities. The two biggest recipients of that aid were the Second Harvest National Food Bank and Duke University (Corkery 47). Although it may be perfectly justifiable to try to alter the manner in which these corporations give, it is likely counterproductive to try to stem the flow altogether.

Is manipulation of the public an important motivator behind corporate charitable contributions? Perhaps this is true for some firms, but it is unlikely that most corporations think in this manner. Too many companies untouched by scandal, including ones profiled in this paper, are significant supporters of charity for this motive to be paramount. Few businesses have skeletons hiding in their closets in the same manner as an Ashland Oil. No, the large majority of corporate givers practice these activities in an effort to improve their public image at the same time a worthy cause is being helped. Both of these are legitimate goals for a business to pursue. It may be a question of semantics, but "manipulation" is not necessarily synonymous with efforts to influence public opinion in a positive direction. The former term implies that a resultant attitude change comes about by deception; in other words, a person would not hold this viewpoint if he knew the entire story. In contrast, attempting to improve popular perception of a firm through support of community affairs need not involve fooling the public.

Final Thoughts

Is it exploitive for corporations to promote themselves either directly or indirectly through charitable giving? Some people believe that contributions allow the wealthy to exploit the poor, depriving these individuals of their dignity and self-respect. Indeed, the very process of giving money away may offend people in other companies, civic leaders, stockholders, employees, and even those who receive the aid. More than a century ago Andrew Carnegie said, "It is more difficult to give money away intelligently than it is to earn it in the first place" (Morris and Biederman 151). After careful review of the entire issue, one concludes that corporations can do far more good than harm when they contribute to causes around them. Premise seven is very much a matter of personal opinion, but it is one which most people probably share.

There will probably continue to be controversies surrounding what underlying motives drive corporate giving. As is true with many decisions, there may not be just one overriding concern. A number of factors probably enter into consideration. The personal morality and religious beliefs of executives might lead to the choice of implementing a program within the firm they manage. Others might desire the positive stature attainable when one is constantly in the public eye accepting thanks on behalf of the corporation. Some managers may view charitable giving as a pragmatic way to build corporate image. Still others see contributions as a means of obtaining support or assistance from different elements of the business environment.

Because one cannot peer into the mind of another, it may be difficult to ascertain the true motives for an action. For this reason, one must either accept an explanation at face value or find some evidence to the contrary. It may not be relevant to question precisely why a charitable contribution was made. No matter what the motive, the fact remains that individuals in need were served. A firm desiring to promote its image may do so in several different ways. Many of these involve communications in the mass media portraying the corporation as a responsible citizen. Is it not preferable for some of the money in the public relations budget to go to those with actual needs rather than to have all of this money go to advertising agencies and to media outlets?

Supporters view charitable giving as a way for those who do have resources and knowledge to use these abilities to help others who have not been able to prosper in life (Dienhart 64). Businesses learn quickly how to do things in a cost-effective manner. When portions of their energy and talent are turned towards situations outside factory walls, the overall business environment is improved. Where there is abject poverty and a sense of despair, unrest and even violence are likely to develop.
Such situations bring calls for reform and change. Often such changes take the form of additional taxes or regulations which may harm businesses. Quite simply, it may be preferable for a corporation to engage in actions which improve and strengthen the free enterprise system rather than take the chance that reform efforts will weaken it.

What form should charitable contributions take? Each of the different methods of giving discussed in this paper can have beneficial consequences for both recipients and donors. In some situations this return may be tangible, while in others it may be nothing more than the good feeling which comes from offering needed assistance to people. Product giving is an especially useful technique from the standpoint that it can eliminate the wasteful disposal of still useful merchandise while also acting as a form of silent advertising. The products of some firms, however, may not be appropriate for charitable contributions. It is not necessarily wise to encourage a corporation like Smith & Wesson to donate older versions of firearms! While this example is somewhat facetious, it does illustrate the concept that each individual firm should best decide how it can positively interact with its environment. Berkshire Hathaway can opt to give only cash, and then let shareholders vote on the distribution. Other firms may think it a waste of time and money to delay decisions until the annual stockholders' meeting or to send out proxy forms each time a request is received. These businesses should therefore contribute in the form most suitable to their resources and target causes.

Finally, promoting the benefits of charitable giving may help enlighten corporate executives who take a dim view of corporate social responsibility. Perhaps they will be influenced to consider the ethical implications of other corporate activities. Today's executive may not always be able to see beyond the end of his nose. A vice president of an Ivy League university who helps raise money for charitable causes relates a common complaint:

I found among younger managers an open hostility toward corporate giving. The idea today is to be a real bottom-line person. They come charging into the room in their dress-for-success suits and Nike sneakers, snarling at us poor fund-raisers. These new guys are keyed only to mergers, acquisitions, and asset management. (Corkery 46-47)

The attitude of these real managers is both deplorable and saddening. Corporate charitable giving does indeed seem to be a proper role for the business to perform for society. It is not a panacea for all ills which face the world, nor will implementing a program of giving make an otherwise unethical corporation suddenly wholesome. What it does do is make positive, realistic efforts to change vexing circumstances which many would ignore or leave for government to correct. The crucial public relations image of a firm may be strengthened, possibly winning "friends, awards, and maybe even increased sales and profits—although we cannot prove cause and effect" (Morris and Biederman 151). In the process of encouraging corporate contributions, one may perhaps prompt executives to realize the entire realm of ethical situations which their decisions encompass. Corporate America has been amazingly creative and innovative in other fields. It is fascinating to consider just what they could do for philanthropy.

WORKS CITED

Vagts, Detley F. "Perspectives Upon the Multinational Enterprise." Reprinted article appearing in the handouts which served as the text for Dr. Brian Sullivan's MGT 410 Transnational Business Law class, pp. 34-44.
Figure 1: Corporate Charitable Contributions by Type of Gift

<table>
<thead>
<tr>
<th>Year</th>
<th>Product</th>
<th>Cash</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>1982</td>
<td>12%</td>
<td>81%</td>
<td>7%</td>
</tr>
<tr>
<td>1983</td>
<td>11%</td>
<td>80%</td>
<td>9%</td>
</tr>
<tr>
<td>1984</td>
<td>11%</td>
<td>78%</td>
<td>11%</td>
</tr>
</tbody>
</table>

Source: Resource Raising: The Role of Non-Cash Assistance in Corporate Philanthropy
Figure 2:
Corporate Charitable Contributions

Source: Resource Raising: The Role of Non-Cash Assistance in Corporate Philanthropy
At 1:30 A.M. on May 3, 1989, Rudy Linares, armed with a .357 Magnum, entered the Rush-Presbyterian-St. Luke Medical Center and removed his fifteen month old son Sammy from his respirator. Nine months prior to this, Sammy choked on a piece of balloon causing the oxygen supply to his brain to be cut off. Although he was not brain dead, he had permanent brain damage and had lapsed into a coma. The Linareses were not able to find a lawyer who would help them petition the court to remove Sammy’s respirator. This case is just one example of many that illustrates how complex and controversial the issue of euthanasia still remains today. Only by addressing all the central issues of euthanasia, legal, ethical, and moral, can society hope to find a solution to this important problem.

Legal Issues of Euthanasia

Currently, there is no national system regulating the practice of euthanasia in the United States. During the last sixty years, the courts have set legal precedents, only to have them overturned the following year. Consequently, citizens must make personal decisions concerning euthanasia without clear legal guidance. There are two main options a person may choose from depending upon their state of residence. These options include writing a living will or appointing a durable power of attorney specifically for health-care decisions (Blake 5). However, many people do not specify their wishes in advance. Consequently, it is important that citizens understand who will make their decision for them should they become incompetent. The Dutch address this issue from a completely different angle. For the past eighteen years, the Dutch have developed a national system regulating the practice of euthanasia through a set of strict guidelines which doctors and patients must follow. Perhaps the solution for the United States is a combination of the current legal precedents and the ideas from The Netherlands. Whatever the solution, people must first become informed before they can make any type of decision.

The Living Will

In 1976, California became the first state to recognize the legality of the living will. Since that time, 38 other states and the District of Columbia have enacted similar legislation. A living will gives an adult resident the power to dictate, in written or oral form, what type of medical treatment they wish to receive should they contract a terminal illness that could render them incapable of making decisions. The living will statute defines a living will as an “oral or written witnessed declaration by a competent adult that may instruct a physician to provide, withhold, or withdraw life-prolonging procedures, if suffering from a terminal condition” (Schoen 231). To avoid confusion, the National Conference of Commissioners on Uniform State Laws defined a terminal illness as “one that would cause the patient’s death in a relatively short time if life-preserving treatment is not provided” (Doerflinger 16). One problem with living wills is the fact that anyone under the age of eighteen cannot draft a living will because they do not fall under the definition of a competent adult. The second, and more major problem with living wills, is the state’s power to disregard them. Even though a competent adult has the right to refuse medical treatment, this right is not absolute (Glantz 220).

States’ legal intervention in individual lives has been divided into three groups:

1. The paternalistic view, by which the state is considered the guardian of the best interests of its individual subjects.
2. The public welfare view, by which the state has the right to interfere and intervene in the individual’s affairs for the sake of the public welfare and the ordering of society.
3. The libertarian view, by which the state should function only as a protective vehicle of individual freedom (Clarke 229). Experts argue for a balance between the paternalistic and the libertarian views. Their reasoning follows that in order to prevent complete repression of personal independence, an entirely paternalistic society must accept some degree of citizen participation in the determination of the individual’s rights and freedoms. Similarly, an entirely libertarian society must assume that when exercising their individual freedom, those individuals respected the freedom of the other citizens (Clarke 235).

Following this reasoning, the best possible position for a state legislature is to find a balance between the rights of the state and the rights of the citizens. When considering euthanasia, state courts have emphasized four main concerns of the state which may conflict with a person’s request of euthanasia: (1) the preservation of life; (2) the prevention of suicide; (3) the protection of innocent third parties; (4) and the maintenance of the ethical integrity of the medical community (American 550).

The preservation of life is a rather broad and diffuse concern. Generally, courts have required that the patient have a grim prognosis before their request of life-terminating treatment is considered to be more important than the state’s interest in preserving life. However, in the case of Quackenbush v. New Jersey Superior Court, the judge ruled that even if a grim prognosis is not present, “when no successful treatment can take place that will return the patient to a cognitive sapient life, then the individual’s request outweighs the state’s rights” (Blake 5). Unfortunately, because this concern has produced conflicting court rulings, it is impossible to predict how and when the state will exercise this right.
When defining the prevention of suicide, however, the courts have been more specific in their statements. In the case of Bartling v. Superior Court, the court stated that “the underlying state interest in this area is in the prevention of irrational self-destruction” (American 554). The state wanted to guarantee that no citizen could use euthanasia as a means of committing suicide. Consequently, this state interest has no bearing in euthanasia cases that involve competent patients requesting the removal of life-prolonging procedures (Blake 8).

When determining whether lifesaving or life-prolonging treatment may be refused, states must examine both the individual's request and the effects that request will have on innocent third parties, which the state is protecting (Blake 10). Generally, an innocent third party refers to a child under the age of 18, and whose only emotional and financial support is provided by the patient requesting the euthanasia. The state usually examines the patient's prospect of a functional recovery, the patient's ability to care for the third party should the request for the euthanasia be denied, when deciding whether or not to override the patient's request (Clarke 216).

The final consideration by the state is the preservation of the integrity of the medical profession. This issue is confusing for several reasons. First, medical ethics do not demand medical intervention in all diseases at all costs, as stated in the ruling of Conroy v. Superior Court. Consequently, as long as there is agreement between the patient, physician, and hospital, there is no real conflict between the patient's request and the state's interests (American 557). Secondly, the phrase “integrity of the medical community” is problematic. Courts have shown that they are likely to associate medical integrity with the current beliefs and practices that are accommodated by a majority of the medical community (Blake 11). Following this reasoning, it is easy to see how the so called “integrity” might change on a regular basis, relative to new medical research and discoveries.

As a consequence of the state's concerns, it is apparent that just writing a living will does not guarantee that one's wishes will be followed. Patients should not despair, however, because the newest idea, appointing a durable power of attorney for medical decisions, eliminates many of the problems associated with a living will.

**The Medical Proxy**

The concept of appointing a durable power of attorney or medical proxy, is very new. Currently, only thirteen states and the District of Columbia have medical proxy laws (Martindale 27). However, in the case of John F. Kennedy Hospital v. Bludworth, the court expressed a willingness to uphold the appointment of a medical proxy (Grantz 238). Even though this idea is new, it is quickly spreading because of the many benefits it affords to the patient, family members, and attending physician. A philosopher at Brown University summed up one major benefit of appointing a medical proxy, is that:

The prospect of life-terminating decisions being made by doctors (whose values may be completely different from the patient's) or family members (who often have vested emotional and financial interests in the patient's prompt demise) is enough to frighten anyone with the temerity to value his own life. (Cantor 122)

This quote emphasizes one major benefit of appointing a medical proxy—the ability of the person to choose whomever he or she wishes and to instruct them personally. A second benefit is the ease with which a person can amend their wishes. They simply contact the proxy, and specify the change. With a living will, one must contact one's attorney, meet with a notary and witnesses, and specify in just the right words the desired change. The third, and most important benefit, is the fact that one's wishes will be specified by a living human being as opposed to a legal document. In the case of a state's interest, a person would be able to better defend the wishes of a patient than would a living will. And finally, appointing a medical proxy enables the patient to have someone present at a critical decision-making moment. This avoids any confusion concerning the legality of a document.

However, one major drawback to appointing a medical proxy is that if the medical proxy should become incompetent at the same time as the person he or she is representing, then that patient no longer has designated legal representation of his or her wishes. A living will always remains valid until the author decides to cancel it.

The living will and the durable power of attorney for medical decisions are both examples of actions people may take before a situation occurs in which they would want to request euthanasia. Many people, however, become incapacitated without having specified their wishes clearly. This creates a huge grey area in the practice of euthanasia. There are three possible decision-makers for an incompetent patient: the court, a family member, or an ethics committee (Cantor 68). More than any other area, the court's decisions in this area have been confusing and contradictory. In the case of John F. Kennedy Hospital v. Bludworth, the Conroy court specified two areas into which the court divided the concerns of incompetent people with no specified wishes. The divisions are called the “limited objective” and the “pure objective” (Fry-Revere A12).

**Euthanasia for the Incompetent Person**

Under the limited objective test, there must be some reliable evidence that, if competent, the patient would have refused treatment. This type of evidence would be a statement indicating a desire not to be kept alive in such a state, made prior to the condition causing the incompetence. If this evidence can be established, and if the patient will suffer extreme pain for an indefinite period of time, euthanasia may be carried out (Cantor 71). The pure objective test is applied to patients whose wishes cannot be substantiated. In this case, treatment is withdrawable if the “net burdens of the patient's life clearly and markedly outweigh the benefits that the patient derives from life” (Rachels 25). One example is a person in a coma who, although not brain dead, has no possibility of recovery and of leading an active life. The state applies the above criteria when there is no family member to aid in the decision-making process for the incompetent. However, even when there is a living family member, the issue is still very confusing.

During the Reagan administration, the President's
Committee on Euthanasia issued a statement saying that “close family members ordinarily would be concerned with the patient's well-being, and would be sensitive to the patient's previously indicated wishes and preferences” (Cantor 110). However, many people doubt this statement and believe that some type of judicial screening of the credentials of the family member should take place. The President's Commission addressed this issue and determined that it would be too costly as well as time consuming (Cantor 111).

A third option in decision-making for an incompetent patient is the use of an institutional ethics committee. In the case of Karen Quinlan, the courts endorsed the possibility that “life and death decision-making might benefit from diffusing responsibility away from a single practitioner or family member” (Spolar A21). Ethics committees are still not widely used, however, because no court has ever required a committee to review the decision of a physician or relative (Clarke 243). In addition, many feel that an ethics committee would be hampered by specific pressures from the institution in which the committee functions. Hopefully, people will continue to examine all possible legal solutions to the issue of euthanasia.

There are many problems with the legal process for handling euthanasia in the United States. The only way to even involve the court system, is for a patient, physician, family member or institution to petition the court. Even after this is done, it can still take months for a decision to be reached. Perhaps the legal difficulties of dealing with euthanasia in the United States could be alleviated by following the unique system currently functioning in The Netherlands.

Euthanasia in The Netherlands

The system developed from 1973 until 1984. In 1973, the first physician was prosecuted for euthanasia. The physician's patient was terminally ill and had requested euthanasia on several occasions. The physician administered a fatal dose of morphine to the patient. He was convicted and given a sentence of one week in jail and one year's probation. The court stated, however, that if six conditions had been fulfilled, the euthanasia would have been acceptable (Wachter 3317). From this landmark statement by the courts until 1984, a clear pattern of court decisions appeared. Similar guidelines were being suggested in courts all over The Netherlands. Finally, in 1984, the first euthanasia case reached The Netherlands Supreme Court. The case, entitled The Alkmar Case, produced a judgment that set a precedent that is still followed today. A physician performed euthanasia on a 95 year old woman who was terminally ill and had been in constant pain for two years. She had requested euthanasia on more than one occasion. The physician was acquitted in the lower court, but the verdict was overturned by an Amsterdam court of appeal. Finally, the Supreme Court reversed the decision made by the appeal court and clarified the guidelines to be followed in future euthanasia cases (Rigter 33).

Since the Supreme Court ruling, these guidelines have been approved by the Royal Dutch Medical Association, the State Commission on Euthanasia, and the Dutch government (Wachter 3316). They are as follows: (1) there must be an explicit oral or written request, made by the patient, and repeated over a lengthy period of time so as to leave no doubt in the physician's mind of the sincerity of the request; (2) the patient's mental or physical suffering must be very severe with no prospect of relief; (3) that all possible treatments must have been attempted or refused by the patient; (4) and that the doctor must consult another physician. It is also recommended, but not required, that the attending physician consult with nurses, pasters, and other professionals whose opinion is valid (Wolf 11). In order for a physician to avoid prosecution, he or she must follow and document all of the specified guidelines. If any guideline is not documented, the euthanasia is considered invalid and the physician is found guilty and sentenced (Wolf 14).

Euthanasia is a criminal offense under article 294 of the Penal Code of The Netherlands. Consequently, doctors practicing euthanasia do so in violation of the law. Any person performing an act of euthanasia is liable to a twelve year prison term. If the patient requests euthanasia, the physician is charged with manslaughter. However, if there is no patient request, the physician is charged with murder (Rigter 31).

There are two important aspects of this legal regulation of euthanasia that need to be emphasized. The first point is the definition of euthanasia. In The Netherlands, euthanasia is defined as “the deliberate action to terminate life, by someone other than, and on request of, the patient concerned” (Rigter 31). This definition was written by the State Commission on Euthanasia in 1985. The major difference in this definition and the definition(s) used in the United States is the specific mention of a patient request. In The Netherlands, those citizens who have not made a written statement of their desires regarding euthanasia and who are unable to make a verbal request have no legal recourse. With this definition, the Dutch avoid the grey area of euthanasia when no one is absolutely sure what the patient would want done. In order to avoid this dilemma, 80% of the current population carries what is sometimes referred to as a “death credit card” on which the owner specifies what he or she would want done if they become incapable of making a request for euthanasia (Fenigs 22). This system is similar to the living will system in the United States. The second major aspect of the Dutch system is the fact that euthanasia is illegal. The current government has stated that they have no plans to legalize euthanasia. The problem with actually legalizing euthanasia, in The Netherlands and in the United States, lies with the existing laws on homicide. No government could have laws stating that murder is illegal and then make euthanasia, the taking of a person's life, legal. By keeping the practice of euthanasia illegal, all existing laws on homicide can remain (Humphrey 12).

The State Commission on Euthanasia, one of the organizations that plays an active role in this system, was formed in 1982. One of the commission's functions is to advise the government and to make recommendations for law in the matters of active euthanasia. The commission is comprised of 15 members: 7 lawyers, 3 physicians, 2 psychiatrists, 2 theologians, and 1 nurse. Since 1982, the commission has helped define specific aspects of euthanasia, and has also advised the government on the formation of the guidelines to be followed by the physician performing euthanasia (Wachter 3318). Another service
performed by the commission is the documentation of the number of deaths due to euthanasia that occur each year. For some unclear reason, the commission has not been able to accurately document the number of cases per year. Although there are no exact figures, estimates range from 2,000 to 10,000 cases of euthanasia performed each year. This figure corresponds to 30,000 to 150,000 cases per year in the United States (Fenigsen 22). Because there has yet to be any accurate accounting of all the cases of euthanasia per year in the United States, it is impossible to determine the accuracy of the corresponding figures. In addition, because the Dutch only advocate performing euthanasia on patients who have made a request, one cannot equate this with the cases of euthanasia performed in the United States.

In November of 1985, two California attorneys, Robert Risley and Michael White, attempted to replicate the Dutch system in the United States. They drew up the Humane and Dignified Death Act. In 1987, the California State Bar Association voted in favor of the legislation. However, in order to bring the initiative to popular vote, the sponsors had to obtain 450,000 signatures of registered electors. Unfortunately, the initiative never made it to a vote because the sponsors were only able to secure 130,000 signatures in support of the legislation (Humphrey 13). Although the attorneys were unsuccessful, they were able to bring this issue to the attention of many people. This is important because no decisions will be made until people are willing to discuss the issue of euthanasia. A coherent legal framework can emerge only after informed public discussion. We must realize that the issue of euthanasia is not going to disappear.

**Ethical Issues of Euthanasia**

Our medical inventions have invented our own dilemma. Sometimes the machines are a blessing. And sometimes they are a curse. But we haven't invented laws or rules yet to tell the difference.

—Anonymous Physician

Physicians face a special set of circumstances in regard to the issue of euthanasia. The physician must try to balance his own feelings with what the patient desires and society demands. Too often, the results are unsatisfactory to all parties. Euthanasia brings out extremes in emotions, laws, and medical practices. At the center of this confusing cavalcade, the physician must try to formulate some sort of concrete guidelines where none exist.

**Conflicting Messages**

As the anonymous quote suggests, there are many unsettled questions surrounding the physician's role regarding euthanasia. Unfortunately, even the authorities that govern physician conduct cannot seem to agree on guidelines. The courts and other government agencies have been sending mixed messages to physicians for decades. For instance, the much celebrated case of “Baby Doe” elicited opposite views from the Judge who presided over the case and the Reagan administration who quickly composed the “Baby Doe Rule” (Levine 128-31).

Baby Doe was a Down's syndrome infant born with a blockage of the esophagus. The attending physician, Dr. Walter Owens, advised the parents to refuse corrective surgery, thereby allowing the child to die. The hospital protested this advice, and took the matter before a judge, who ruled in favor of the parents' right to accept the physician's advice. The child died before the case could be heard by the Supreme Court (Levin 128-9).

Immediately following “Baby Doe's” death, the Reagan administration developed the “Baby Doe Rule” stating that it was illegal to refuse treatment or food to a baby simply because of a handicapping condition. The courts overturned this rule, but a more open ended rule was later developed and accepted. This new rule maintained the position that a handicap is not sufficient grounds to refuse treatment, but it also allowed each case to be viewed on an individual basis. Today, cases where “severely” disabled infants are allowed to die occur on a routine basis. The difference is that, for the most part, the cases are handled discreetly without involvement of the court system (Levine 130-1).

Another case highlighting the difference of opinion even among judges involved a cerebral palsy victim named Elizabeth Bouvia. Ms. Bouvia decided that after 26 years of suffering through a very debilitating disease she wanted to end her life. She had planned to enter a hospital in order to receive pain medication to alleviate any suffering while she starved herself to death. The hospital refused to allow this action and asked the court to allow forced feeding of Ms. Bouvia (Annas 290-291).

The initial judgement, rendered by Judge John H. Hewes, read:

The established ethics of the medical profession clearly outweigh and overcome her own rights of self-determination...forced feeding, however invasive, would be administered for the purpose of saving the life of an otherwise non-terminal patient and should be permitted. There is no reasonable option. (Annas 292)

The ruling was quickly overturned in Superior Court. In fact, the two rulings could not have been more opposite, as is evident by the words of one of the Supreme Court judges.

I believe that she has an absolute right to effectuate that decision [to die]. This state and the medical profession instead of frustrating her desire should be attempting to relieve her suffering by permitting and in fact assisting her to die with ease and dignity. The fact that she is forced to suffer the ordeal of self-starvation to achieve her object is in itself inhumane. The right to die is an integral part of our right to control our own destinies. (Sprung 2213)

One can easily see how a physician could become utterly entangled in the many divergent signals being sent through the court system.

If the court can not agree on guidelines for a physician's role in euthanasia, it becomes quite obvious that the burden of action falls firmly upon the shoulders of each physician. There are those in society who feel that this is how it should be. They believe that the physician is the only person capable of making
decisions regarding the use of euthanasia.

According to Norman L. Cantor, author of Legal Frontiers of Death and Dying, physicians, medical experts, and legal commentators seem to believe that in crisis situations the patient, parent, or other family member is not capable of judging appropriate action. These authority figures believe that emotional feelings make these people unfit for such decision making, therefore, the physician must take an active role in setting guidelines (10-2).

On the other hand, many people believe that only the patient or immediate family member should be allowed to decide whether or not euthanasia is a legitimate course of action. One of the strongest statements in support of this concept comes from the court records in Natanson v. Kline.

Anglo American law starts with the premise of thorough-going self determination. It follows that each man is considered to be master of his own body, and he may, if he be of sound mind, expressly prohibit the performance of life-saving surgery, or other medical treatment. A doctor might well believe that an operation or form of treatment is desirable or necessary, but the law does not permit him to substitute his own judgment for that of the patient by any form of artifice or deception. (Cantor 8)

Another document that strongly supports the idea of the patient’s right to make these decisions is the paper drafted in 1983 by the President’s Commission for the Study of Ethical Problems in Medicine and Biomedical Research. The basic, underlying concept in this document is that an informed patient should be allowed to decide on the medical treatment he will or will not receive (Humphry 125-6).

Private Struggles and Public Pressures

Whether the physician makes the decision or the patient, it is still ultimately in the hands of a physician to discontinue treatment, turn off life-support, or forego life-saving measures. Many factors influence and complicate the carrying out of these actions by physicians. The physician wrestles with issues such as patient autonomy, best interest of the patient, battling against disease, social pressures, and personal values and interests.

The best interest of the patient is a phrase often used in defense of the act of euthanasia, but it is also used quite often by those who oppose euthanasia. Those physicians who believe in euthanasia as an ethical option state that following the patient’s wishes to allow death to come peacefully without intervention is in the patient’s best interest. In sharp contrast, those physicians who oppose euthanasia state that they have an obligation to assert control over a patient’s treatment in order to protect the patient’s best interest.

A frequent reason physicians give for opposing euthanasia is that they are trained to battle against death. If every patient is seen as a battle ground in which only one entity will emerge victorious, it is easy to see why a physician would view euthanasia as a personal failure (Humphry 160-1). Unfortunately, this concept often interferes with the doctor-patient relationship. As Ruth Macklin said in Mortal Choices: “The best medical outcome is not always the same as the outcome the patient prefers—a variance that underlies numerous conflicts between physician and patient” (13).

Alongside the controversy between physician control versus patient rights runs another controversial issue—societal pressures. One of the most frightening areas in regard to euthanasia comes from the criteria applied by society in deciding whether euthanasia is appropriate. It is not unusual to hear the patient’s age and economic status enter into the decision making process. It is as if society is sending a message to physicians that these matters should be weighed alongside all the medical and legal factors.

The effects of this social thought process seem evident in the growing number of older people who opt for euthanasia or suicide in order to avoid being a burden on family members or society in general. This also seems to be a criteria used by handicapped persons who feel they can no longer cope with the rising cost of their care, therefore, they decide that death is their only option.

Another ingredient in the physician’s decision making process is his own personal beliefs and interests. A physician may have to disregard his own religious beliefs in order to carry out a patient’s wish to die. This may be too much to ask of any human being. The experience, background, religion, morality, and ethics of a physician must all be considered on a very personal level every time he/she is asked to play some role in the act of euthanasia (Lynn 216-7).

Finally, a physician must consider possible litigation. This is a very real concern of every physician, and one that is complicated by the mixed signals sent by the court system. Quite often, this fear of litigation is the factor which determines the physician’s willingness to honor the patient’s wish to be allowed to die. Derek Humphry and Ann Wickett accurately describe this type of influence in their book The Right To Die.

We have medical advances...that people did not dream of three or four decades ago. Yet we’ve observed that such progress can be a double-edged sword. People are kept alive against their wills. Medicine caters to the biological man, often abandoning the psychological and social one...The patient lingers—often in pain. Afraid of litigation, the medical team persists. (2-3)

Physicians Who Participate

One physician who appears totally unafraid of litigation is Dr. Jack Kevorkian, the 62-year-old physician who helped an Oregon woman commit suicide with the use of his home-made “IV device”. Kevorkian has always been a renegade in the medical profession. His reputation for radical ideas and bizarre experiments began while he was still in medical school (Wilkerson D22).

Kevorkian has been an unemployed pathologist since 1982, a fact that he contributes to the medical profession’s response to his unusual ideas. He lives in a small two room apartment where he works continuously on his life long passion: the study of death (Wilkerson D22). This one subject has dominated his life, and shaped his entire existence.

Dr. Kevorkian’s latest experiment culminated in the assisted suicide of Janet Adkins. She contacted Kevorkian one
year after being diagnosed with Alzheimer's disease. Until her death she led an extremely active and happy life with her husband and their three sons. Janet taught English at the community college, and enjoyed such activities as hang gliding and mountain climbing. Janet and her husband had been members of the Hemlock Society, a group that strongly supports the right to die movement, for many years before she received her diagnosis of Alzheimer's (Egan A1, D22).

Janet's first response to her doctor's diagnosis was disbelief, but as the doctor outlined the prognosis for her future her response changed to one of resolve. As the doctor described a life of total dependence and loss of mental capabilities, Janet said with a firm conviction: "I want to exit" (Johnson 42). From that moment on, Janet was unchanging about her decision. At one point, after her family insisted, she did try a new drug, THA, that sometimes slows the progress of Alzheimer's. Unfortunately, the drug had no effect on Janet (Egan D22).

Alzheimer's is difficult to diagnose or predict. With no test to determine the disease, it is diagnosed through a process of elimination and an in-depth personal history. Still, this is not a definitive diagnosis until the disease progresses further than it had with Janet. The concern existed that there was another possible cause for Janet's symptoms, however remote the chances, that might have been treatable (Angier D22). On the other hand, by the time this possibility could have been ruled out Janet would have been deep into the progression of a very debilitating, incurable, and cruel disease.

Janet chose not to wait for the disease to overtake her life, she chose instead to take control of her own destiny. Destiny, for Janet Adkins, came to pass on June 4, 1990 at 2:30 p.m. at Groveland Oaks County Park in Dr. Kevorkian's 1968 VW van. The device that carried out Janet's wish was no more than a simple IV set-up with bottles of saline, Thiopental Sodium (an anesthetic), and potassium chloride (to stop the heart). Janet had only to push a button in order to begin the process. Within five minutes from the time she pushed the button, Janet Adkins was dead (Johnson 40-1).

A short time later, Dr. Kevorkian found himself facing his own self-designed destiny: the prospect of prosecution for assisting in a suicide. Kevorkian came to his own defense during an interview with Gloria Borger, a reporter with U.S. News & World Report.

If I go to jail, remember I am not immoral. Society is... I want to use death to benefit humanity. Now, it's just a total waste... Frankenstein was a benevolent, dedicated researcher and doctor... Society treats my creation the same way they treated Frankenstein. Evil! Terrible! Immoral!... I have no career any more. This is the substitute... It's a new specialty: Going to one's death with the help of a doctor... I'm not off my rocker. I am different. But so was Freud. They're saying the same about me word for word. (27-8)

While many oppose Dr. Kevorkian's views and actions, some believe he might be a pioneer ahead of his time. According to Colin Campbell, noted writer for The Atlanta Constitution:

There are reasons to agree [that Kevorkian is off his rocker and irresponsible]. There are also reasons to think he's a competent, imaginative pathologist, though prickly and very unconventional, and that he's sincerely interested in facing some of the issues raised by modern medical technology's ability to keep people alive or end their lives... But he has also raised doubts about his suitability as a leader of these passions. (A3)

Another article, entitled "Don't Criticize Doctor Death...", makes a passionate plea to the general public that they view the issue of euthanasia as if it were one they had to face on a personal level. In that light, the author feels that more people would view the role of a physician assisting in a suicide as one of a compassionate caretaker (Angell A27).

Despite these supporting views, the great majority of articles aligned themselves against the actions of "Doctor Death". One of the most critical statements appeared in an article entitled "A Very Chilling Bedside Manner". Mary Senander, representative of the International Anti-Euthanasia Task Force, states that "Homicides should be prosecuted, whether committed by thugs in dark alleys or doctors in bright rooms" (10).

The medical community, in general, was also quite critical of Dr. Kevorkian's actions. This general feeling of condemnation was aptly expressed by Dr. David Orentlicher, council for the American Medical Association Ethics and Health Policy.

It has been a longstanding position in medical ethics since Hippocrates [that physicians should not assist in suicides], and we feel that it is inconsistent with the role of physicians as healers... who should relieve suffering and not cause death. (Matchan A1)

Another incident that highlights the general feeling of the medical profession toward physician assisted euthanasia began with a letter entitled "It's Over Debbie" printed in the Journal of the American Medical Association. The letter was written by an anonymous gynecology intern who was called late at night to examine a 20 year old woman with advanced ovarian cancer. The young woman appeared to be suffering tremendous pain, and she was obviously dying a slow agonizing death (according to the intern's account). As the intern entered the room the patient said: "Let's get this over with." At this point, the intern said to himself: "I cannot give her health, but I could give her rest." A short time later, the intern injected her with an overdose of morphine while telling the patient only that it would help her relax. The letter ended with the words: "It's over Debbie" (272).

The journal received over 150 letters within two months from the publication of the Debbie letter. By a 4 to 1 majority physicians wrote in opposition to the action taken by the intern, also a strong majority (3:1) expressed extreme disappointment in the journal for publishing such an account. In strong contrast, the response from the general public was quite positive toward both the journal and the act itself (Lundberg 2142).

The journal letter printed 18 letters in response to the Debbie letter. Many of these letters were from physicians, and they expressed concern that the intern acted without consent of
the patient, family, or attending physician. In fact, several letters stated, there was no discussion at all. The intern acted as if his opinions were all that were pertinent in this extraordinary decision. Another common theme in these letters was that the medical profession must seriously address the issue of guidelines for euthanasia in order to prevent such arbitrary use of physician power (Rennie 2094-8).

A different view was expressed by a few physicians who praised the courage shown by the anonymous intern who was willing to risk his career in order to halt the suffering of the young woman. Several of these physicians wrote that they had faced similar situations but lacked the courage to do what the intern had done (Rennie 2094-8).

The letter from the Hemlock Society was surprisingly against the intern's actions. Their letter outlined specific "rules" that must be followed in order for the Hemlock Society to endorse an act of euthanasia. The "rules" included matters such as the physician actually knowing the patient on a long term basis, a written and witnessed request by the patient, and a second opinion from a consulting physician (Rennie 2094-8).

A commentary by four physicians made the most critical observation about the young intern's actions. The physicians stated that the act was premeditated murder, pure and simple. According to these authors, the act was carried out without proper consultation with the patient or the attending physician. Furthermore, they state, the intern acted in a cold, methodical fashion without the smallest attempt to follow any type of ethical protocol. The major theme of this article is: If we, as physicians, condone such action and allow this type of activity to continue, then doctors will be undervaluing patient trust or the title "healer". How can one be both "healer" and "murderer" (Gaylin 2139-40)?

The Future And The Past

If we, as a society, allow for the concept of "mercy killing" as a legitimate avenue for death, then what does the future hold? There are those who feel we would do best to review a little history before we make such a decision. The author of The Right To Die does just that in his highly acclaimed book.

The Greeks embraced the concept of euthanasia...in Ceso there was an ancient custom requiring people over sixty to commit suicide...Plato endorsed infanticide as a means of ensuring the worthiest state with the worthiest individuals...magistrates kept a supply of poison for anyone who wished to die. (Humphry 3-4)

In the same book Dr. Leo Alexander, an investigator for the War Crimes Tribunal, takes the history lesson one step further as he describes the involvement of German physicians in the Holocaust.

The beginnings at first were merely a subtle shifting in emphasis in the basic attitude of the physicians. It started with the acceptance of the attitude, basic in the euthanasia movement, that there is such a thing as life not worthy to be lived. This attitude in its early stages concerned itself merely with the severely and chronically sick. Gradually the sphere of those to be included in this category was enlarged to encompass the socially unproductive, the ideologically unwanted, the racially unwanted and finally all non-Germans. But it is important to realize that the infinitely small wedge-in lever from which this entire trend of mind received its impetus was the attitude toward the nonrehabilitable sick. (Humphry 27)

Despite these rather frightening historical precedents, many, including the authors of The Right To Die, believe that euthanasia represents a valid and moral choice for every human being. These supporters deny any correlation between the above mentioned history lesson and the present situation (Humphry 26-28). This pro-euthanasia movement seems to be gaining in strength as we head toward the twenty-first century. In fact, current statistics show that among critical care physicians between 85% to 90% withhold or withdraw life-sustaining treatment when a patient is diagnosed as being terminally ill (Sprung 2213).

A further indication of the growing acceptance toward the use of euthanasia is the fact that in 1986-87 California became a testing ground for the "Humane and Dignified Death Act". This piece of legislation, written by two Los Angeles attorneys, included a very moving preamble.

Prolongation of life for terminally ill persons may cause a loss of dignity and unnecessary pain and suffering, while providing nothing medically necessary or beneficial to the patient. The continuation of life under conditions of severe pain and suffering against the patient's will constitutes cruelty and a total disregard for human dignity. (Humphry 310)

Even though this legislation has not become law, it forecasts a time when euthanasia may become a common practice.

At the very core of the reasoning in the minds of those who support the use of euthanasia are the sentiments expressed by a gentle man known world-wide as a messenger of peace.

I cannot for a moment bear to see a dog, or for that matter any other living being, helplessly suffering the torture of a slow death...my idea of compassion makes this thing impossible for me...Should my child be attacked with rabies and there was no helpful remedy to relieve his agony, I should consider it my duty to take his life.

—Mahatma Gandhi (quoted in Kohl 70)

When all is said and done, the role of a physician in the act of euthanasia will never be a black and white issue. Quite the contrary, it will remain one of controversy and debate for years to come. But perhaps this is only proper, for without this discussion and precarious balancing of the two opposing views it would be quite easy to slip into one extreme or the other, and at this point in time neither side seems able to offer a completely acceptable view of the subject.
Moral Issues of Euthanasia

I am terrified
and the terrors of death
 crush me.
I am gripped with fear and
 trembling
 I am overcome with horror.
—Psalms 55:4-5

Dying is the final experience of living, and perhaps it is the most frightening of all the life experiences. In today's world of massive medical technology, we have nearly doubled our life span in only fifty years. That technology which was meant to save lives now is often only prolonging death; it "has moved ahead of law and ethics" (Maguire 1). From the time we are born, to if we are lucky, a peaceful death at an old age; we are continuously fighting for life.

This can be summed up as Pierre Teilhard de Chardin wrote:

We must struggle against death with all our force, for it is our fundamental duty as living creatures. But when by virtue of a state of things, death takes us, we must experience that paroxysm of faith in life that causes us to abandon ourselves to death as to a falling into a greater life (58).

Our technology often forces us to face death under extraordinary circumstances. Patients and their physicians are often forced to make decisions involving life and death. A quote from George Lundberg who is the editor of The Journal of the American Medical Association leads to the four most essential participants in such decisions.

There are many physicians, myself included, who believe that the place where life and death decisions should be made is at the bedside, between the patient, family, doctor, and if appropriate, a religious representative and that there's no place for the courts in this decision. (Grady Doctor 88).

Our religious heritage encourages us to view death as a beautiful and sacred event. In Romans 8, we learn that the acceptance of death is our faith in the resurrection of Christ. From this perspective, we affirm God as the source of all life. As God's creatures we have so graciously been given the powers to create, but we must always protect ourselves against the untamed use of our knowledge and power. With technology comes the responsibility over issues concerning life and death (Veatch 1). Through the eyes of religion, we have always considered two essential parts in obtaining a fulfilling life—the body and the human spirit. Accordingly, neither of the two should be over rated above the other (United).

The Council for Christian Social Action of the United Church of Christ released a statement in 1979 which stated:

We are concerned with each other's mental and physical health, comfort and personal growth. This includes growth of a healthy body but does not necessarily mean that the body must be kept alive as long as scientifically possible, regardless of the circumstances. That depends on what is best for the person, or his or her well being (United 1-2).

Three critical case types involving decisions and treatment procedures are central to the euthanasia issue: the right to refuse treatment, the question of whether extraordinary measures (artificial) should be used to keep a comatose patient who has been diagnosed with an irreversible terminal illness alive or whether a natural death should be allowed, and the final more difficult question, whether a mentally competent patient with an irreversible illness where death is not inevitable should be allowed, upon request, to die quickly and painlessly in dignity (United 2-3).

The Right To Refuse Treatment

In a landmark court case in New York, Schoelendorf versus Society of New York Hospitals, Judge Benjamin Caradaoz stated in 1914 the ruling which has become a foundation for informed consent. "Every human being of adult years and sound mind has a right to determine what shall be done with his own body," declared Judge Caradaoz.

The foundation for self-determination is the most important right that all of us as patients are assured. This right along with the informed consent doctrine correlate to form our rights as patients to refuse treatment (Right to Refuse 194). The United States courts have continued to uphold this right in cases since the precedent setting case in 1914.

A poll sponsored by the Presbyterian Medical Center in San Francisco showed that out of 2,000 subjects sampled 90% "agreed strongly with the proposition that adults who are competent to make their own decisions should have the right to refuse life-sustaining treatment even if their doctors and their families object" (90% in Poli). Yet, only 41 of the states and the District of Columbia recognize a living will (Living 38).

Living wills and the declaration of a durable power of attorney are fast becoming the only legal way for a patient who is competent to have the right to refuse treatment or exercise their right to self-determination should they become mentally or physically incompetent and require medical interventions to sustain life (Right to Refuse 195-198). Public opinion polls show strong public opinion to be in favor of accepting living wills. A poll for CNN/Time by Yankelvitch Clancy Shulman reported that 81% of those polled believe that a doctor should be allowed to remove life-sustaining treatment if the patient's living will has so requested (Gibbs 63).

Rita Marker, director of the Anti-Euthanasia Task Force and a strong opponent to the living will, was quoted in Christianity Today, "When a person signs a living will, that signer...is in effect handing a blank check to an unknown physician to interpret however he or she thinks, with total civil and criminal immunity" (Living 38). Other opponents such as Tom Glessner of the Christian Action Council say the documents are not needed. "Standard medical practice has always been that extraordinary treatment to preserve life when..."
a person is in the dying process is not necessary,” says Mr. Glessner (Living 38).

The United Church of Christ Council for Christian Social Action wrote:

Nothing in Jewish or Christian tradition presumes that a physician has a mandate to impose his or her wishes and skills upon patients for the sake of prolonging the length of their dying where those patients are diagnosed as terminally ill and do not wish the interventions of the physician. People who are dying have as much freedom as other living persons to accept or to refuse medical treatment where that treatment provides no cure for their ailment. Here, the illness or depending on one's theology, God, has already made death imminent (United 2).

The United Church of Christ also believes that it is “theologically proper” for one to write a living will to avoid being sustained by artificial means and to also avoid the prolongation of death (United 2).

Pope John Paul II reaffirmed the Vatican’s Declaration on Euthanasia in 1980. The declaration affirms that Roman Catholicism upholds the right to refuse treatment. Below is an excerpt from the Vatican’s 1980 announcement.

It is also permitted, with the patient’s consent, to interrupt these means [most advanced medical techniques], where the results fall short of expectations...[Doctors] may judge that the techniques applied impose on the patient strain or suffering out of proportion with the benefits which he or she may gain from such techniques...When inevitable, death is imminent in spite of the means used: it is permitted in conscience to make the decision to refuse forms of treatment that would only secure precarious and burdensome prolongation of life, so long as the normal care to the sick person in similar cases is not interrupted (Vatican’s 35).

Most world religions uphold the person’s refusal of treatment; it seems to be one of the most important rights we have been given by precedent setting court cases nearly 100 years ago. Decisions involving treatment procedures should be made by that person who is affected. However, some states (Missouri and New York) have declared that all life-sustaining treatment will be given to anyone unable to refuse it unless a patient has left different rules (Angell 9). From this, we can see how important it is for one as a patient to consider leaving a living will and/or to declare a durable power of attorney. A 1990 study by the American Medical Association reported that only 15% of Americans had some form of a living will (Kaplan 23). It is a difficult and frightening thought for one to think about decisions related to his or her own death; this could be the reason for such a low percent of those having a living will.

The case of Dax Cowart suggests that there are limitations to the right to refuse treatment. Dax Cowart from Texas was seriously burned in a propane-gas explosion. He was treated against his will. Now, 17 years later, he says doctors violated his right to refuse treatment. The physicians say that burn victims are in so much pain that they are incompetent of making such decisions. Had Mr. Cowart left a living will he would most likely had not been treated against his written, competent wishes. Seventeen years later, Dax Cowart is alive and what some call perfectly healthy (Friedman 46). Did Dax Cowart have a right to refuse that treatment which saved his life, or is it our duty as citizens, doctors, lawyers, and religious leaders to preserve every human’s life to the fullest extent possible even against their wishes? This case shows how crucial it is for this issue to be more deeply discussed and defined.

Extraordinary Measures?

To search the issue of euthanasia even deeper, we must now take it a step further. When a person is irreversibly comatose and artificially sustained should the artificial means be removed? An example of such a situation would be the controversial Nancy Cruzan case. Nancy Cruzan was injured in an automobile accident and suffered extensive brain damage. She went into a coma and then into a persistent vegetative state which she existed in for seven years before her family decided to make a request to the courts. Her parents, Joe and Joyce Cruzan, requested that food and water tubes be removed from their 32-year-old daughter (Lawton 38). CBS news polls reported that the majority of Americans would want the tube feeding stopped if they were in Nancy Cruzan’s situation (Angell 9).

In this type of dilemma, many theologians have argued that even intravenous feedings are extraordinary and may be discontinued. The United Church of Christ Council for Christian Social Action precisely addressed this in their statement:

We believe there comes a time in the course of an irreversible, terminal illness when, in the interest of love, mercy, and compassion, those who are caring for the patient should say; “Enough.” We do not believe the continuance of mere physical existence is either morally defensible or socially desirable or is God’s will (2).

The Roman Catholic church places a high regard on the value of life and stands firmly against the issue of killing.

It is necessary to state firmly once more that nothing and no one can in any way permit the killing of an innocent human being, whether a fetus or an embryo, an infant or an adult, an old person, or one suffering from an incurable disease, or a person who is dying. Furthermore, no one is permitted to ask for this act of killing, either for himself or for another person entrusted to his or her care, nor can he or she consent to it, either explicitly or implicitly (Vatican’s 38).

Although many theologians stand by a family’s decision to remove life support and believe strongly that they have made the best decision for those concerned, many others “are debating how sacred life can be if we take it upon ourselves to end it.” There are also right-to-life advocates who argue that “the sanctity of human existence...does not depend on its
quality or its cost” (Gibbs 62-68).

While many families fight the court system (i.e., Cruzan family), life and death decisions are made every day. As an example, it is estimated that in cancer units such judgements are made three times a week (Truffle). However, some reported cases should make any family member pause. One sometimes wonders why families do not hesitate more in these decisions especially when one sees situations like the Jackie Cole case. Rev. Harry Cole’s wife Jackie had a brain hemorrhage which put her into a coma. He went to the courts and asked that her respirator be unhooked. Fortunately, his request was denied, and six days later, she woke up and was perfectly healthy (Gibbs 66-68).

“Fred Gilbert shot his wife twice in the head on March 4, 1985, and then called police to report what he had done” (Williams A-4). Gilbert was found guilty and was sentenced to 25 years without parole. When he received clemency after serving five years and was released, he admitted that killing his wife of 51 years was a mistake even though she was suffering from Alzheimer’s disease (Williams A-4). These examples may be just enough to make one think before following through with even a well thought out solution. “Long after the decision is made, the resolution may continue to haunt” (Gibbs 68).

Death With Dignity

Finally, what are the moral rights of a person to end his or her own life before a terminal disease becomes debilitative? Janet Adkins, who was 54 when she died, had found out one year prior to her death that she had Alzheimer’s disease. Dr. Kevorkian assisted Janet in dying (Johnson 42).

Janet’s case was unusual in that she was assisted by a physician, and she had the support of her family and friends. Suicide of this type is also referred to as euthanasia. This particular form of euthanasia is very difficult for families to deal with. Every year approximately 30,000 adults in the United States commit suicide (Johnson 40). Are we doing our job, as a society, of protecting and preserving these individuals’ lives? Daniel Maguire when referring to suicide said, “The Patient must consider also his cultural and legal context, the mind-set of the insurance companies, and the ability of others to cope with the voluntary aspects of the patient’s death” (5).

Unfortunately, for many patients their decision to live or die are based strongly on financial reasons. Often they do not want to burden their families with great financial distress due to increasing costs of health care. There is always risk when one decides to die by either a positive or negative action that the insurance company will decide not the recognize one’s decision as legal in their context. Most all insurance agencies do not allow life insurance claims on a person who has voluntarily chosen to die (this is suicide).

More importantly than finances, to some this decision means a deep religious meditation over the rightness of these decisions. Paul, in his letters in the Bible, encourages us to appreciate suffering. The Vatican also addresses this suffering and its importance to Christians in its Declaration on Euthanasia. Catholicism takes a firm stand against this form of euthanasia. It is believed that God’s love has been so graciously given; thus, we are called upon to make it grow and become fruitful as well as to preserve it.

Intentionally causing one’s own death, or suicide, is therefore equally as wrong as murder; such an action on the part of a person is to be considered as a rejection of God’s sovereignty and loving plan (Vatican’s 37).

In sharp contrast, the United Church of Christ, a much more liberal denomination, has stated they have not reached a conclusion on this issue of actively intervening to end a life (this type of euthanasia). Many Americans are also perplexed by this situation. The thing we must all remember is that if we take the right to end one’s suffering away from patients, families, and physicians, we must also help the person to continue to live in dignity. It is not right for a society to make a law when they are not living in the situation and paying the consequences.

Hospice is one organization which offers a dignified alternative to euthanasia. Hospice was introduced in the United States in 1974 and specializes in palliative care. Hospice care realizes that the fastest growing segment of the population is 85 or older, and it is working on a system in which those who wish no intervention can die with dignity and virtually no pain. The Roman Catholic Church is a sponsor of some of the more successful programs. This is rightly so since they are advocates of the “rightness of a natural death” (Clarke 223-224).

Many of us have a picture in our mind of a “perfect death.” We see it as the way it should be. There is no pain or suffering; the family is together. There are no tubes or needles or machines (Grady, Death 56). What many of us do not realize is that our technology has come far enough that now death is not quite so simple. There could be an increasing need for a right which our constitution did not provide for—the right to die.

The Hemlock Society which was established in Los Angeles in 1980 supports the right-to-die movement. They believe that assistance with suicide should be de-criminalized where a terminally ill or seriously incurably ill person requests help. With the Hemlock Society taking the lead, it looks as though some states may soon legalize euthanasia. Public opinion polls show that the American people overwhelmingly favor such legalization.

For society, religion, and family, euthanasia is not a clear, easily resolved issue. There are strong religious traditions and social norms we must consider in order to form a resolution. When wading through the mounds of written material, one wonders if there is a solution to this issue. We must continue to lay down answers as we go, but we must remember that it will never be resolved in black and white terms. We must never legalize killing; yet equally, we must never contend that it is morally, ethically, or legally right to allow great human suffering. We are a compassionate and loving society which has great knowledge and power. Through law, medicine, and a strong society, we will continue to lay the stepping stones to a clearer solution.

WORK CITED

EFFECTIVENESS OF PSYCHOSOCIAL REHABILITATION PROGRAMS:
DO THEY MAKE A DIFFERENCE IN REHOSPITALIZATION OF THE MENTALLY ILL?

Shirley Hazelwood
Kay Redfern

Introduction

Early in this century, a person labeled as "crazy" or "insane" often spent an entire lifetime confined to a state mental institution. We have come a long way since that time. However, the best care for those who suffer from mental illness has not yet been found. Continuous care for those who suffer from chronic mental illness in the community has been of major concern since the community mental health movement in the 1950s. Many persons who suffer from a chronic mental illness return to state hospitals over and over because they are not receiving the services necessary to aid them in readjusting to life in the community (Rapp & Chamberlain, 1985).

This project attempted to examine the recidivism patterns of chronic mentally ill individuals who participate in a psychosocial rehabilitation program with individuals who do not enter a program. The sponsoring agency for this project is Green River Comprehensive Care (GRCC) in Owensboro, Kentucky. The specific program targeted for this project is the psychosocial rehabilitation program of GRCC. The agency has encouraged this study to aid in ascertaining the impact of the program. The researchers of this study also have a personal interest in programs for chronic mentally ill individuals. One researcher helps to care for a family member who suffers from a chronic mental illness, and the other works in the psychosocial rehabilitation program in Owensboro, Kentucky.

Statement of the Problem

The purpose of this study is to examine the impact of psychosocial rehabilitation programs in preventing recidivism of chronic mentally ill patients. Since patients dismissed from state mental hospitals often have what Fernandez and Nygard (1990) term the "revolving-door syndrome" because of lack of community support, it is important to be aware of what programs are successful in reducing recidivism. These programs can then serve as models for other communities in establishing programs for the chronic mentally ill.

Approximately 1000 mental patients are released each day in the nation, and only seven percent of those are referred to community mental health centers. Not all of those who are referred keep their appointments, and those who do keep them, may not receive the help they need. Some of the mental patients go directly to the streets and remain there. This has contributed to the increase of the homeless population (U.S. Senate, 1983).

Finding out what works and implementing those programs could mean a better quality of life for the mentally ill and their families.

Research Question:

Does the GRCC Psychosocial Rehabilitation Program in Owensboro, Kentucky reduce the recidivism rates in the chronic mentally ill patients dismissed to Daviess County from Western State Hospital in Hopkinsville, Kentucky?

Rationale for Research/Significance of Research

Research in this area could prove beneficial to Green River Comprehensive Care in making plans for the future of the Psychosocial Rehabilitation Program. Results which show that individuals in the program are rehospitalized less often than those who do not participate in the program could indicate that the impact of the program has been positive. If results are positive, then the significance of expanding the program can be emphasized, and the program methods can be shared with other communities. If results indicate that those in the program show no difference in rehospitalization patterns or are rehospitalized more often than those not in the program, steps could be taken to find reasons for these findings, and needed changes could be made in the program.

Green River Comprehensive Care also is accredited by the Joint Commission on the Accreditation of Hospital Organizations, and must continually show that programs are being evaluated in order to maintain accreditation. Maintaining accreditation is important in assuring that private insurance and Medicaid can be billed for services.

Definition of Terms

Case Management: "A procedure to coordinate all the helping activities on behalf of a client or group of clients. The procedure makes it possible for many workers in the agency, or different agencies, to coordinate their efforts to serve a given client through professional teamwork, thus expanding the range of needed services offered" (Barker, 1987, p. 20).

Chronic Mental Illness: When psychosocial or cognitive functioning is impaired and has persisted for a long period of time due to disturbances in biological, chemical, physiological, genetic, psychological, social, or environmental processes (Barker, 1987). A history of psychiatric hospitalizations is
usually found in those with chronic mental illness.

**Deinstitutionalization**: The releasing of individuals from institutions who are dependent on the institutions for their physical and mental care (Barker, 1987). For this study, deinstitutionalization will refer to patients discharged from state mental hospitals or diverted from these institutions.

**Recidivism Rate**: The number of individuals who return to an institution within a specified time period, relative to the population of the institution or area (Barker, 1987).

**Psychosocial Rehabilitation**: A community program for the chronically ill, which encompasses all aspects of the client’s life from physical, emotional, intellectual, and social, in helping the individual to be mainstreamed back into society, especially if the client has been hospitalized (Schade, Corrigan, & Liberman, 1990).

**Review of the Literature**

**History**

Treatment of the mentally ill in the United States has changed radically in the last 25 years. One of the foremost changes has been the drastic reduction in the use of state and county mental hospitals (Gronfein, 1985). In 1959, there were 559,000 individuals who suffered from chronic (long duration) mental illness in state psychiatric hospitals, and today there are fewer than 130,000 in these state hospitals (Stuber, Dwyer, Ryan, Goldfinger, & Kelly, 1988).

Deinstitutionalization was initially hailed as a great advance by those who were in favor of the treatment and services that were to be provided by community mental health centers, halfway houses, and psychosocial rehabilitation programs. However, many of the mentally ill found that freedom meant aimless wandering on American streets with no shelter, food, treatment, or income (National Institute of Mental Health [NIMH], 1986).

Society has always had problems in dealing with those who are mentally ill. From the Middle Ages through the seventeenth century, mental illness was thought to be brought on by demons or evil spirits. Many of the mentally ill were executed or persecuted as witches (Roberts & Kurtz, 1987).

In the late eighteenth and early nineteenth centuries, moral treatment was initiated by Dr. Philippe Pinel in France, William Tuke in England, and Benjamin Rush in the United States. These reformers pushed for more humane treatment of the mentally ill (Roberts & Kurtz, 1987; Barton, 1987).

The person who probably contributed the most to the humane treatment of the mentally ill in institutions was Dorothea Dix, one of the greatest social reformers in American history. From 1840 to 1870, she influenced the policy of the state being responsible for the mentally ill, and is credited with the establishment of 32 mental hospitals. She pushed to get the mentally ill out of jails and poor houses, and into clean and humane mental hospitals (Barton, 1987).

Unfortunately, the humane treatment that Dix had advocated was not representative of the treatment received in mental hospitals in the late eighteen hundreds and early nineteen hundreds. The cruel and inhumane treatment in these mental institutions are what eventually led to the push for deinstitutionalization of the mentally ill (Roberts & Kurtz, 1987).

The reasons for deinstitutionalization include public outcry over the abuse in mental hospitals, the introduction of psychotropic drugs, and the increasing emphasis on the legal rights of the mentally ill (U.S. Senate Hearings, 1983). In 1963, President John F. Kennedy stated that “reliance on the cold mercy of custodial isolation will be supplanted by the open warmth of community concern and capability” (quoted by Torrey, 1986, p. 24). He signed a bill for the establishment of community mental health centers all over the United States (Torrey, 1986).

Each community mental health center was to provide comprehensive mental health care for the deinstitutionalized patients. They were to offer inpatient and outpatient services, emergency services, partial hospitalization, and consultation. Transitional living arrangements were also to be available, and local citizens were to have a controlling voice on the Board of Controls (Barton, 1987). However, only 700 of the planned 2,000 community mental health centers were ever built (Gelman et al., 1987).

In 1969, a study done by the National Institute of Mental Health showed that one-third of patients who were released from state hospitals with a diagnosis of schizophrenia—a mental illness with thought disorders which may include hallucinations and delusions—were not given a referral to a mental health center (Torrey, 1986). Mental patients have not been good caretakers when left to take care of themselves. Many have withdrawn from normal human contact, are not taking their medications, and have become psychotic—disorganized thought processes with loss of touch with reality. Many persons feel that the state has created the mental health crisis by closing mental hospitals and dumping the mentally ill back into the communities with no adequate resources (Gelman et al., 1987).

The readmission rate of patients discharged from mental institutions is one way of measuring the success of deinstitutionalization. In New York State, 50 percent of patients discharged from mental institutions are readmitted within 4 years (U.S. Senate Hearings, 1983).

**Other Research—Community Support Programs**

Several other researchers have found that the chronic mentally ill benefit from some type of community support program. However, a standard definition for “community support program” does not presently exist. Each program focuses on helping the chronic patients adjust to living in the community after being dismissed from a state hospital, but the programs take different approaches in helping individuals to adjust.

One study conducted in a community-based psychosocial rehabilitation program in New York City found that 96 percent of their sample maintained or improved their social functioning during the duration of the study. The program consists of a day treatment program, a community residence, and apartments in the community. Clients in the program attend the day treatment program from 2.5 to 6 hours per day. The program seeks to aid the individual in functioning socially, vocationally, and independently within the community setting. Individual and group counseling, case management, and psychiatric consultation is
offered, along with art therapies, socialization activities, and independent living training. This study used a sample of 102 subjects who were enrolled in the New York program, and the majority of the subjects were diagnosed as schizophrenic. Individual case records were examined to determine rates of recidivism for participants. The rate of recidivism found in the sample was extremely low—28 percent one year after discharge, and 34 percent two years after discharge. The findings of this study indicate that community support programs for those suffering from chronic mental illness can be effective in reducing recidivism (Weltman, Poveromo, & Nofi, 1988).

Another study conducted by Rapp and Chamberlain (1985), in Lawrence, Kansas found that no clients in a community program which emphasized intense case management were hospitalized in a state or federal institution during the six-month duration of the study.

A study conducted on Community Rehabilitation Services in Toronto with a sample of 92 patients, found that patients in the program functioned higher in occupational success than a control group two years after they were discharged from the program. A follow-up study conducted two years after discharge from the program found 20 percent of the patients were employed either full or part-time, while only 13 percent of the control group were employed (Goering, Wasylenki, Farkas, Lancee, & Ballantyne, 1988).

An evaluation of the Fountain House model of psychosocial rehabilitation included the follow-up of over 600 patients who participated in the program over 3 years. Their length of hospitalization was found to be significantly reduced, and the ability to gain employment had been increased for many of the clients (Peterson, Patrick, & Rissmeyer, 1990).

Several factors play a part in whether an individual must be rehospitalized for a chronic mental illness. A major problem occurs when the patient does not take his prescribed medication. Other factors that effect rehospitalization include psychosocial stressors, physical problems, alcohol or drug abuse, severity of illness, and family support (Feldman & Paynter, 1988; Schnur, Friedman, Dorman, Redford, & Kesselman, 1986). Most of the community support programs take these factors into account and make an effort to help the client deal with them in a positive manner.

**GRCC Psychosocial Rehabilitation Program**

The Green River Comprehensive Care Psychosocial Rehabilitation Program is a program for adults with a persistent and chronic mental illness. The program follows referred individuals from state or other psychiatric hospitals into the community and aids them in readjusting to society. The program staff includes two LCSWs, one MSW, one part-time psychiatrists, one nurse, six MHAs (Mental Health Associates, one of whom is a BSW practicum student and serves as case manager), and two office personnel.

Participants attend the program 6 days a week from 8:00 a.m. until 3:00 p.m. However, not all participants come on a full-time basis. The program also offers night-time socialization programs, which includes dinner out, movies, shopping, bingo, bowling, skating, and other activities. The purpose of these activities is to provide social interaction within the community to aid in helping the individuals to readjust to community life.

The program emphasizes daily living skills, vocational rehabilitation, and creative art therapy. Individual and group therapy is provided, and all clients see the staff psychiatrist once a month, or as needed, for medication regulation. Case management, which seeks to aid consumers in finding available services and to coordinate services, is also offered.

Of primary importance in this program is empowerment of the individual. This involves emphasizing the strengths of the individuals and guiding them in taking control of their own lives. Every aspect of the program is carried out by the consumers with staff supervision. The consumers do their own grocery shopping, cooking, and clean-up; maintenance; communications, with writing of newsletters and a monthly newspaper; operate a thrift shop; operate a library, canteen, and sign shop; operate a banking unit; and conduct their own governmental affairs with elected officers. A GED program is offered at the site two mornings a week, and consumers often function as tutors.

The program seeks to aid consumers in realizing their potential for autonomous functioning by rendering support, structure, and service, as needed, without allowing the person to become unnecessarily dependent on the program.

**Research Design**

**Recidivism - Operationalization**

For the purposes of this study, recidivism will be determined by rehospitalization of the individual in a psychiatric facility, and will take into account: how soon rehospitalized after discharge from a psychiatric facility; how many times the person is rehospitalized within the time period of the study; and the duration of the stay when rehospitalized.

**Research Instruments**

The instruments used in this study were: 1) Western State Hospital discharge printouts for 1987-1990; 2) Green River Comprehensive Care client charts.

The original intent of the researchers was to examine the recidivism rates of patients dismissed from Western State Hospital for the years 1989-1990 and compare the rates of those who were in the GRCC Psychosocial Rehabilitation Program with those who were not in the program by using a sample of approximately fifty individuals from each group. However, a complete list of 1989-1990 discharges was not immediately available to the researchers, and the Psychosocial Rehabilitation Program did not have even close to 50 individuals hospitalized in 1989-90 to compare.

The decision was then made to use 1987 and 1988 as a baseline, and compare patients dismissed from Western State Hospital during those two years for recidivism in the years 1989 and 1990. Since this was a time-limited project, it was decided to compare 15 individuals dismissed during the years 1987-1988 who participated in the GRCC Psychosocial Rehabilitation Program with 15 patients dismissed during the same time period who did not participate in the program. However, pa-
patients who were not in the Psychosocial Rehabilitation Program did participate in some way in the Community Support Program of GRCC. Some patients saw the psychiatrist every 1 to 3 months, and others were involved in case management. (See “Sampling Method” below for patient selection criteria.) Western State Hospital monthly print-outs were used to determine who was dismissed during this time period. Client charts were then pulled and examined for exact dates of the last hospitalization in 1987 or 1988 and exact dates of hospitalization admissions and discharges for the years 1989 and 1990. The number of rehospitalizations, the length of stay, and the time between hospitalizations was then tabulated to compare the two groups.

Sampling Method
The sampling method for this research was purposive because only individuals who suffered from chronic mental illness and had been hospitalized at Western State Hospital during 1987-1988 were considered for the recidivism comparison. Individuals were also selected on the basis of access to records through GRCC. Access to records of individuals who did not participate in any of GRCC programs was not available because of legal constraints.

Since it would not be fair to consider the impact of the program on someone who only participated a short period of time, a criteria was set up for both groups to aid in the sample selection. Individuals in both groups must have been dismissed from Western State Hospital during the years 1987 and 1988, and have a primary diagnosis of mental illness (not mental retardation, substance abuse, etc.). Those who were not in the Psychosocial Rehabilitation Program must not have participated in the program two days a week or more for a period of 6 months or longer within the past four years. Those who were participating in the program must have been in the program a minimum of six months and attended an average of two days per week or more within the past four years.

Data Collection
Data was collected from February until April, 1991 by reviewing Western State Hospital printouts and examining charts of individuals in the samples selected. The data was reviewed and analyzed for discharges and admissions during the years of 1989 and 1990 for patients who had been dismissed from Western State during 1987-1988. Recidivism for patients in the Psychosocial Rehabilitation Program was compared with patients who did not participate in the program.

Results
Characteristics and information on both groups dismissed from Western State during 1987 and 1988 are found in Table 1. Although the male to female ratio was skewed for those in the program, this is not representative of the male to female ratio in the Owensboro Psychosocial Rehabilitation Program. The program currently has 117 individuals participating, with 59 being female and 58 male. Race for those in the program was also 100% white, and not representative of those in the program. Fourteen percent of those in the program are black and 1% is Asian. The actual percentages concerning sex and race of those in the program are very close to the percentages of the sample of individuals not in the program. Criteria for the study limited the sample selection and caused the differences in sex and race. Age of both groups was similar, with those in the program being slightly younger than those not in the program.

The most prominent diagnosis for both groups was schizophrenia, with a higher percentage (66.7% vs. 46.7%) of those in the program suffering from this disorder. Other recurring diagnoses for those in the program were schizoaffective disorder (20%) and major depression (6.7%). Other prominent diagnoses for those not in the program were bipolar disorder (26.7%), adjustment disorder (20%), and major depression (6.7%). All of the clients not in the program had been prescribed medication, and all but one of those in the program had been prescribed medication.

Sixty percent of those in the program had been hospitalized at psychiatric facilities other than Western State during 1989 and 1990, while 74.3% of those not in the program had been hospitalized at other facilities. The total number of Western State admissions for those in the program was 10 hospitalizations among 5 individuals, and for those not in the program, there were 24 Western State admissions among 9 individuals as indicated in Charts 1 and 2. Although fewer individuals in the program were rehospitalized for fewer times than those not in the program, the difference was obviously not statistically significant. However, a test was performed to confirm this. The number of patients in the program who were readmitted during 1989 and 1990 was 10 (67%), and 6 (40%) of those not in the program had not been readmitted. The 1989-1990 recidivism rate for those in the program was 33%, and for those not in the program, the rate was 60%.

After the number of rehospitalizations, the second recidivism pattern reviewed was length of hospital stay at each admission for those in and out of the program. Surprising results occurred here for the researchers. Table 2 shows the length of stay at each admission for both groups. Those not in the program spent an average of 26 days less in the hospital than those in the program on the first visit, with those in the program spending an average of 70 days and those not in the program staying an average of 44 days. In the second hospitalization, length of stay was very close, with those in the program staying an average of 39 days, and those not in the program spending an average of 40 days. For admissions three and four, those in the program spent fewer days hospitalized than those not in the program, spending 6 and 7 days respectively, while those not in the program spent 24 and 23 days respectfully. Only one individual from each group was admitted for the fifth time, with the individual in the program spending 70 days hospitalized and the individual not in the program spending 10 days hospitalized. Table 3 shows the total days hospitalized for each group and the average number of days each group spent hospitalized. Those in the program spent a total of 511 days hospitalized, with the average length of stay being 51 days (N=5, with 10 hospitalizations). Those not in the program spent a total of 847 days hospitalized, with the average length of stay being 35 days (N=9, with 24 hospitalizations).

The last recidivism pattern looked at was length of time between hospitalizations for those rehospitalized (Table 4), and
length of time since last hospitalization for those not rehospitalized (Table 5). Some surprises were also found here in the length of time between hospitalizations. Those in the program spent fewer days between the last hospitalization in 1987-88 and the first admission (274 days compared with 456 days for those not in program); fewer days between first and second admission (average of 55 days compared with 215 days for those not in the program); and fewer days between the second and third admissions (average of 38 days compared with 102 days for those not in the program). Those not in the program spent fewer days out of the hospital between hospitalizations three and four (average of 25 days compared to 71 days for those in the program), and fewer days between hospitalizations four and five (average of 88 days compared to 173 days for those in the program). The average number of days between hospitalizations for those in the program was 176 days, and for those out of the program, 261 days.

Length of time since last hospitalization was favorable for those in the program who had not been rehospitalized during 1989 and 1990. The number of days since the last hospitalization ranged from 750 to 1,290, with the mean being 1,091 days. For those not in the program, the range was from 720 to 960 days, with the mean being 865 days.

Discussion

Results showing that those in the program were rehospitalized less often at Western State Hospital and other psychiatric facilities than those not in the program did not come as a surprise to the researchers. Findings on the number of days since the last hospitalization for those not rehospitalized in 1989-90 was also expected.

However, the fact that the duration of stay was longer for those in the program, and length of time between hospitalizations was shorter for those in the program was an unexpected finding. Although the researchers did not have a ready explanation for these results, one major difference was noticed in the diagnosis for the two groups. One possible explanation might be that those in the program suffer from a mental illness that is more severe than those not in the program. Close to sixty-seven percent of those in the program suffer from schizophrenia, while only 46.7% of those not in the program suffer from this mental illness. Of those not in the program, 26.7% suffer from bipolar disorder, which is more likely to be controlled by medication. Another 20% suffers from an adjustment disorder, which might not require subsequent hospitalizations if stressful situations in the individual's life are improved.

It should also be noted that length of stay and length of time between hospitalizations only considered those who were actually hospitalized during 1989-90. Ten of those in the program were not hospitalized at all and had been out of the hospital an average of 1,091 days since 1987-88, compared to only 6 individuals not in the program who had not been rehospitalized. The average time since last hospitalization for those not in the program was 865 days.

Although other possible explanations probably exist, the time limitation of this study did not allow for controlling of the many variables that could intervene in the results. Almost all of the individuals in both groups had been prescribed medication; however, knowing whether an individual actually takes the medication cannot be known with any degree of certainty. Other factors that might effect rehospitalization patterns include physical health of the individual, drug and alcohol abuse, stressful situations in the individual's life, financial situation, and whether or not the individual receives support from family members and friends.

Conclusion

More research in this area is definitely needed which would look at recidivism rates over a longer period of time (ten years would be recommended) for each individual in the GRCC Psychosocial Rehabilitation Program. Comparisons should be made with those in the GRCC Community Support Program, but not in the psychosocial program, and also with individuals who are not receiving any kind of community support. Hospitalizations other than Western State should also be used to figure recidivism rates for all groups combined, and larger samples should be used.

Information concerning the best method of care for those suffering from chronic mental illness has special relevance for social workers, since a high percentage of service providers for this population comes from the social work profession. Continued research in this area is encouraged to aid in improving the quality of care for individuals who often end up rehospitalized or living in the streets.

Critique

Many improvements could have been made concerning this research if the researchers had known as much about research when the project began as they knew when the project was finished. Entirely too much time was spent writing and administering a questionnaire and collecting data that was not relevant to the research question being studied. Problems securing complete data from Western State also proved trying to the researchers and left them with very limited time to complete the study.

This study had certain limitations which could prevent results from being generalized to all chronic mentally individuals who participate in community support programs. The sample was purposive and only used individuals who had been dismissed from Western State Hospital in the years 1987-88 who participated either in the Psychosocial Rehabilitation Program or some aspect of community support. Having access to data on individuals who did not participate in any community support program would probably show a much greater difference in recidivism rates.

The researchers would like to continue this research at a later date and use some of the knowledge learned in this research to improve on the next project. Using all psychiatric hospitalizations instead of just Western State Hospitalizations would have given a truer picture of recidivism patterns of both groups. Collection of more information on each individual to control for intervening variables would also improve the validity of results. Allowing more time for data collection and analysis will definitely be a priority in the next project.
### Table 1
Characteristics of Patients in and out of the Program

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>In Program (N=15)</th>
<th>Not in Program (N=15)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sex</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>N=5 33.3%</td>
<td>N=8 53.3%</td>
</tr>
<tr>
<td>Female</td>
<td>N=10 66.7%</td>
<td>N=7 46.7%</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean = 32.8</td>
<td>Mean = 36.7</td>
<td></td>
</tr>
<tr>
<td>Range = 24 to 45</td>
<td>Range = 24 to 53</td>
<td></td>
</tr>
<tr>
<td><strong>Race</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>N=15 100%</td>
<td>N=12 80.0%</td>
</tr>
<tr>
<td>Black</td>
<td>N=2 13.3%</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>N=1 3.3%</td>
<td></td>
</tr>
<tr>
<td><strong>Diagnosis</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Schizophrenia</td>
<td>N=10 66.7%</td>
<td>N=7 46.7%</td>
</tr>
<tr>
<td>Schizoaffective Dis.</td>
<td>N=3 20%</td>
<td></td>
</tr>
<tr>
<td>Bipolar Disorder</td>
<td>N=4 26.7%</td>
<td></td>
</tr>
<tr>
<td>Adjustment Disorder</td>
<td>N=3 20.0%</td>
<td></td>
</tr>
<tr>
<td>Major Depression</td>
<td>N=1 6.7%</td>
<td>N=1 6.7%</td>
</tr>
<tr>
<td>Other</td>
<td>N=1 6.7%</td>
<td></td>
</tr>
<tr>
<td><strong>Medication Prescribed</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>N=14 93.3%</td>
<td>N=15 100%</td>
</tr>
<tr>
<td>No</td>
<td>N=1 6.7%</td>
<td></td>
</tr>
<tr>
<td><strong>Psychiatric Hospitalizations other than Western State</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>N=9 60%</td>
<td>N=11 73.3%</td>
</tr>
<tr>
<td>No</td>
<td>N=6 40%</td>
<td>N=4 26.7%</td>
</tr>
<tr>
<td><strong>Total Number of Western State Admissions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 (N=5)</td>
<td>24 (N=9)</td>
<td></td>
</tr>
<tr>
<td><strong>Number of Patients Not Readmitted in 1989-90</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 67%</td>
<td>6 40%</td>
<td></td>
</tr>
<tr>
<td><strong>Recidivism Rate for 1989-90</strong></td>
<td>33%</td>
<td>60%</td>
</tr>
</tbody>
</table>

### Table 2
Length of Stay of Patients in and out of the Program

<table>
<thead>
<tr>
<th>Admission No.</th>
<th>In Program (N=15)</th>
<th>Not in Program (N=15)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mean = 70 days</td>
<td>Mean = 44 days</td>
</tr>
<tr>
<td></td>
<td>Range = 14 to 192 days (N=5)</td>
<td>Range = 9 to 155 days (N=9)</td>
</tr>
<tr>
<td>2</td>
<td>Mean = 39 days</td>
<td>Mean = 40 days</td>
</tr>
<tr>
<td></td>
<td>Range = 34 to 44 days (N=2)</td>
<td>Range = 8 to 120 days (N=7)</td>
</tr>
<tr>
<td>3</td>
<td>Mean = 7 days</td>
<td>Mean = 24 days</td>
</tr>
<tr>
<td></td>
<td>Range = 5 to 33 days (N=1)</td>
<td>Range = 5 to 33 days (N=5)</td>
</tr>
<tr>
<td>4</td>
<td>Mean = 6 days</td>
<td>Mean = 23 days</td>
</tr>
<tr>
<td></td>
<td>Range = 15 to 32 days (N=2)</td>
<td>Range = 15 to 32 days (N=2)</td>
</tr>
<tr>
<td>5</td>
<td>Mean = 70 days</td>
<td>Mean = 10 days</td>
</tr>
<tr>
<td></td>
<td>Range = 15 to 32 days (N=1)</td>
<td>Range = 15 to 32 days (N=1)</td>
</tr>
</tbody>
</table>

### Table 3
Total Days Hospitalized

<table>
<thead>
<tr>
<th></th>
<th>In Program (10 hospitalizations)</th>
<th>Not in Program (24 hospitalizations)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total days</td>
<td>511 days</td>
<td>847 days</td>
</tr>
<tr>
<td>Mean No. days</td>
<td>51</td>
<td>25.2</td>
</tr>
</tbody>
</table>
### Table 4
Length of Time Between Hospitalizations

<table>
<thead>
<tr>
<th>Admission No.</th>
<th>In Program (N=15)</th>
<th>Not in Program (N=15)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mean = 274 days</td>
<td>Mean = 456 days</td>
</tr>
<tr>
<td></td>
<td>Range = 101 to 424 days (N=5)</td>
<td>Range = 102 to 1065 days (N=9)</td>
</tr>
<tr>
<td>2</td>
<td>Mean = 55 days</td>
<td>Mean = 215 days</td>
</tr>
<tr>
<td></td>
<td>Range = 54-56</td>
<td>Range = 20 to 378 days (N=2) (N=7)</td>
</tr>
<tr>
<td>3</td>
<td>Mean = 38 days</td>
<td>Mean = 102 days</td>
</tr>
<tr>
<td></td>
<td>Range = 20 to 199 (N=1) (N=5)</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Mean = 71 days</td>
<td>Mean = 25 days</td>
</tr>
<tr>
<td></td>
<td>Range = 13 to 36 days (N=1) (N=2)</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Mean = 173 days</td>
<td>Mean = 88 days</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(N=1)</td>
</tr>
<tr>
<td><strong>Total days</strong></td>
<td><strong>between</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>hospitalizations</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>1764 days</strong></td>
<td><strong>6261 days</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Mean = 176 days</strong></td>
<td><strong>Mean = 261 days</strong></td>
</tr>
</tbody>
</table>

### Table 5
Length of Time Since Last Hospitalization for Those not Rehospitalized in 1989 or 1990

<table>
<thead>
<tr>
<th></th>
<th>In Program</th>
<th>Not in Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>10,910 days</td>
<td>5,190 days</td>
</tr>
<tr>
<td>Mean</td>
<td>1091 days</td>
<td>865 days</td>
</tr>
<tr>
<td>Range</td>
<td>750 to 1290 days (N=10)</td>
<td>720 to 960 days (N=6)</td>
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</table>

### Works Cited


Feminist literary critics seek to expose the myths that have been perpetuated about women through literature. We believe the acceptance of these myths has contributed to the subordinate position women have historically held in patriarchal societies, and we attempt to combat the unfairness toward and bias against women in the literary realm—both as literary characters and as contributors to literature. However, occasionally, revisionists—in their fervor to right a wrong—go astray in trying to prove their point. I feel this has been the case with Stephen Crane’s Maggie: A Girl of the Streets. As Elaine Showalter suggests in her essay “Feminist Criticism in the Wilderness,” the aim of feminist criticism is not only to identify and expose misogynist stereotypes in male-authored literature, but also to liberate new significance and meaning from those texts. Crane’s Maggie seems a perfect candidate for this sort of critical examination.

In the early stages of feminist criticism, Marcia Holly, believing feminists had “dwelled long enough on the evils of women’s low status, lack of prestige, exploitation, and self-abasement,” solicited essays for a book that would focus upon the positive female role-models—strong female characters and writers—that literary criticism had overlooked. But the expected deluge of essays showing women’s strength in literature never came, and in reaction Holly wrote:

first-rate male authors...reinforce self-questioning and personal struggle in men: they accept the fact that men are seeking fulfillment and growth, and that men confront difficult personal and social conflicts. There is a lack of an equivalent reinforcement for women. (39)

But Crane’s Maggie deals with exactly these issues: a young woman confronting difficult personal and social conflicts, seeking fulfillment in life. Nevertheless, most critics do not seem willing to grant Crane his due in having developed this character. Feminist critic Carol Hurd Green, in “Stephen Crane and the Fallen Women,” cites Maggie as one of the two “most vivid illustrations of Crane’s conviction of women’s incapacity for loyalty, indeed, for moral abstractions of any kind” (239). Although she documents her criticism well, citing passages from the novel to support her claims, she fails to take into account Crane’s themes and objectives in writing Maggie. And she is not alone; several critics have commented on Crane’s mishandling of women. But Crane has commented on this story himself, and while there are often unconscious factors woven throughout the fabric of a novel, it seems unfair to completely ignore the author’s statements regarding his own work.

In an inscribed copy of Maggie, Crane wrote to Hamlin Garland that his aim in writing Maggie was to show the “tremendous” influence of environment on shaping people’s lives. In an attempt “to prompt an intelligent reading” of the book, Crane wrote to Catherine Harris, “I had no other purpose in writing ‘Maggie’ than to show people to people as they seem to me” (LaFrance 45). And to an editor of Leslie’s Weekly he wrote, “Poor Maggie! She was one of my first loves” (Letters 134).

These statements reflect Crane’s desire to educate his readers about the slums and their influence on people in general—and women in particular. There is no indication of a misogynist attitude nor a desire merely to illustrate the failings of women. On the contrary, this story presents its women more kindly than its men, and Crane’s inscriptions and letters indicate a realistic—and sympathetic—attitude toward life in the city’s slums.

Green complains that Crane’s fiction pays little attention to women, and that his “high intentions leave women out of serious consideration” in his works. However, this, his first novel, centers on a female character, painted against a backdrop of other women. Perhaps Crane’s inability to get his story published, and its lack of popularity after publication at the author’s expense, resulted in Crane’s lack of attention to women in later works. Only after the success of The Red Badge of Courage did publishers and the public take interest in Maggie.

Green maintains that Crane’s female characters are merely images: sexless and shapeless, mother or crabbily teacher sorts, or seductresses—all of whom drive men to nonsense. It is easy to mistake Crane’s rendering of Maggie as merely a type or image. She is not described. All we learn about her appearance is that she is small and pretty. She is introduced as a “small ragged girl” and remains nameless until page nine of a book that is less than sixty pages in length.

Maggie is frequently presented in romantic terms: “The girl, Maggie, blossomed in a mud puddle...None of the dirt of Rum Alley seemed to be in her veins...” (Maggie 16). But Crane does show another side of his title character. Routinely described as fearful, Maggie is never portrayed as frail. The first reference to her by name is as she eats dinner: “Maggie, with side glances of fear of interruption, ate like a small pursued tigress” (Maggie 9). Maggie is a tiger—albeit a small one—in the jungle of the slums; she is stronger and better equipped to handle the attendant hardships than her father or her siblings. As a very young girl, she is the only protector either of her brothers knows. She leads her younger brother, Tommie, home through the menacing slum streets and reprimands her battling older brother, Jimmie. She nurtured her brothers, washed the wounds they receive at the hands of their mother, and comforts them in the midst of daily family battles (Hussman 94).
Maggie’s father and Tommie die early in the story, but Maggie perseveres. Her innate instinct for survival—which includes a willingness to take measures beyond socially acceptable rules—is illustrated by a stolen flower with which she adorns her brother’s corpse in the story’s beginnings (Maggie 13).

In apparent disregard of Crane’s stated themes, Lawrence Husman in “The Fate of the Fallen Woman in Maggie and Sister Carrie,” writes that a psychological profile of a prostitute, Maggie is flawed and over-rated (100). However, even though not in depth, Crane does provide psychological insight into his title character—as much as can be shown in so brief a story. Maggie is real. She is vulnerable. She is engaged in a personal struggle, a struggle not merely for fulfillment and growth; Maggie’s is a struggle for life.

Maggie’s character is developed through her increasing awareness of the world outside the slums, contrasted against her own. However, she, as well as every character in this story, has many misconceptions (Berryman 60). Maggie yearns for culture and refinement. Untaught and unworldly, she longs to rise above the level of her environment. When she leaves the melodramas she so enjoys—in which poor and virtuous heroes triumph over affluent villains—Maggie wonders if the idealized culture and refinement presented on the stage could ever be shared by a factory worker from the slums (Maggie 28). She envies the soft palms, elegance, and fine clothing of the women she sees on the streets. She longs for their adornments, “conceiving them to be allies of vast importance to women” (Maggie 25). She admires the costly costume of the vaudeville dancer, but fails to notice her degradation as she assumes grotesque poses for her audience (Maggie 23). At the dress factory, Maggie notes the dissatisfaction of her fellow workers and imagines an equally unpleasant future for herself as “a scrawny woman with an eternal grievance” (Maggie 25). As she becomes aware of the hardships and deprivations of her limited world (Pizer 112), she begins to wonder if her looks might have some value and how long they will last (Maggie 25).

Maggie is depicted most poignantly in her relationship with Pete, the lackluster ne’er-do-well she imagines as her knight. She feels inferior to him in every respect and fears she is plain and insignificant compared to the other women in his life (Maggie 20). With nowhere else to go, Maggie goes home with Pete after her mother throws her out, and for the first time in her story, she garners strength from a man rather than vice versa. She leans dependently on Pete, beseeching tenderness from him (Maggie 38); and, Crane advises, Maggie does “not feel like a bad woman. To her knowledge she had never seen any better” (Maggie 39). And she had not.

Green writes that there is no brotherhood—that capacity that redeems the men in Crane’s stories—among the women of Maggie (225-26). Instead, she maintains, the women are “troublemakers...disloyal, and destructive,” and they fall prey to members of their own sex (229). Indeed, this is the case. There is no sisterhood of women in Maggie. Maggie lacks a friend to confide in, and she suffers from that lack. The women in her neighborhood are undesirable creatures with “uncombed hair” and “disordered dress” who “gossip” on their balconies and “scream” in frantic quarrels (Maggie 6). They berate Maggie; they judge her unfairly. Maggie lacks a positive role model. Her mother is a drunk, described in animalistic terms: she howls and then she roars. She thunders about, beating her children and destroying their home. She ridicules her daughter, and she rejects her. Only Nell, Pete’s former girlfriend and successful lady-of-the-night, is portrayed as comely. Nell’s clothes fit to perfection and are spotlessly cuffed and collared; she is gloved and hatted, unjeweled and unpainted (Maggie 43). And even Nell ridicules Maggie. Nell usurps Maggie’s claim on Pete, and Maggie, in her instinctive quest to survive, can only aspire to follow Nell’s example. Not inclined to fit cuffs and collars onto dresses at the factory, Maggie wants to wear them.

But these less-than-admirable women are no less admirable than the men in Maggie. They are struggling to survive in a hostile world. Their reactions arise from a biological instinct for survival and a psychological instinct for self-esteem (Cooder 45-46). Theirs is a world of double-standards: to maintain self-esteem, they must berate Maggie—for this makes them seem better than she.

Unlike Crane’s short story “The Open Boat,” there is no brotherhood of men in Maggie. Jimmie’s remorse for having disgraced other men’s sisters is momentary at best, and Pete shows no remorse for having seduced Jimmie’s sister. Jimmie’s fight with Pete is not to avenge Maggie’s honor, but to retaliate for his own disgrace. The so-called “friend” who accompanies Jimmie to the fight, forgets Jimmie’s name during the pre-sequence banter, calling into question the closeness of their relationship. This “friend” seeks only adventure—not Jimmie’s honor. And when he is arrested during the fray, Jimmie’s thoughts of helping him are short-lived.

Crane’s use of irony illustrates the lack of conscience and compassion in these men. Chapter fifteen begins with a “forlorn woman” ambling slowly along the street. Maggie, who had been turned out by Pete in the preceding chapter, seems the subject of this scene; however, this character is Hattie—one of the women Jimmie has “ruined.” Hattie begs Jimmie’s help, without success. When Jimmie returns home, he finds Maggie and shows her the same lack of sympathy. Both Maggie and Hattie must take to the streets. Crane’s men use and destroy—whomever and whatever—their friends’ sisters and their own.

In her final chapter, Maggie is no longer the girl introduced at the story’s beginning. On a dismal, rainy evening an impatient flower vendor sells his rain-soaked wares to the men passing on the streets—a symbol of the wilting of the flower that once blossomed in the mud. No longer shy and reticent, the young woman who once feared men’s calculating eyes and drew back her skirts from “painted women,” Maggie has become one of the “painted cohorts of the city.” She looks men in the eye and solicits their business. She travels from glittering avenues to dismal, black streets, passing a procession of increasingly foul men, potential customers, all (Katz 201). The last is a leering drunk who accepts her solicitations and follows her to the banks of a river where Maggie ends her life.

While the character of Maggie includes the stereotypical “virtuous girl,” she is much more than that image. Having witnessed her fantasies, her blindness to reality, and her love-distorted vision, the reader comprehends Maggie’s dilemma and sympathizes with her plight (Berryman 51). Marston LaFrance in “George’s Mother and the Other Half of Maggie,”
writes that Maggie is as much a study of a journey into awareness as Henry Fleming's story (35). Indeed, Maggie's awareness does change. Her initial perception of Pete is as a knight—"the beau ideal of a man" (Maggie 19)—but she observes his armor tarnish. Having once sought tenderness from him, she observes him similarly beseeching Nell (Maggie 44) and notes "an air of submission about her leonine Pete" in the exchange (Maggie 45). Although unsophisticated, Maggie perceives both the strengths of women and the weaknesses of men.

Maggie has risen above her disloyal lover at her story's end. Crane permits a glimpse of Pete after Maggie's death. He is pathetic at best, seeking sympathy from the "girls" in the bar as he drunkenly repeats: "I'm a gool' fller, ain't I, girlsh?" (Maggie 55)—convincing no one—not even himself. While LaFrance sees this episode as merely "a Bowery version of good clean fun," it is poignant and telling. Pete lies drunk on the barroom floor, and his paid companions draw back their skirts in disgust as they pass him (Maggie 56). It would seem there are worse fates than to be a "fallen woman."

Hussman suggests that Maggie's suicide is an indulgence in moral prejudice, and he writes that his melodramatic ending merely replaces the old adage concerning women's sexual conduct: death before dishonor—with death immediately after dishonor (97). But John Conder is more accurate. In Naturalism in American Fiction: The Classic Phase, he writes that Crane's assessment of the naturalistic view relieves Maggie of responsibility for her suicide (43).

Maggie had seen what women's lives become when they are confined to the hardships of the slums, and she tried to escape that existence. She saw a life of labor in the sweatshops as equally dismal. She tried, through the only avenues her society left open to her, to escape her fate: first with a man and then as a prostitute. Finally, the only way for her to achieve psychological survival—self-esteem—is through suicide (Conder 50). Maggie's final evening is no more dismal than the life she had left. Only in suicide had Maggie been able to rise above her environment; at least she had achieved that goal. She did not become a drunk like her mother and her brother, nor did she become one of the disheveled members of her sex.

In response to criticism that bashes Crane's treatment of women, Donald Vanouse, in "Women in the Writings of Stephen Crane: Madonnas of the Decadence," defends Crane, writing that Stephen Crane:

struggle to deviate from conventional timidity and sexist arrogance in discussing women has not been criticized as an aspect of [his] creative intelligence or as a reflection of his period's concern with the social and psychological actualities of women.

...Perhaps we can now begin to read his works on women and sexuality with an unembarrassed trust in his intellectual and artistic purposefulness. (141)

...Crane was one of those who struggled to deviate from intellectual timidity and sexist arrogance in discussing women—just as he deviated from similar chauvinisms in discussing America's military past and the heritage of the Western frontier. (147-48)

Vanouse notes that Crane acknowledges the forces embodied in women and suggests that his "presentation of women is a conscious artistic decision," not a mistake of ignoring or demeaning half of the human population (142). Vanouse points out that women are often the focus of power in literary works (142), and this is the case in Maggie. Maggie's mother is the master of her household—admirable or not. She is the victor in battles with her husband (Baum 8), and she lives long after his early death.

While Green seems to be offended by the depiction of women in this novel, they are depicted more admirably than the men. Conder suggests that institutions and the environment they foster are the culprits in this tale; only the environment, not the individuals, can be judged morally (45). Maggie is a novel of the slums, a story of poverty and alcohol abuse. The women in this story are victims of circumstance. That Maggie does not survive her story does not lessen her strength. She has attempted to break the cycle of poverty and ignorance. She is a heroine in that regard.

WORKS CITED


EFFECTS OF TIME-OUT AS A PROCEDURE TO DECREASE MALADAPTIVE BEHAVIOR

Sean Johnson

Abstract

An introduction and review of important studies of time-out are provided by the current paper. The issue of using time-out with other procedures is also reviewed. The author's point of view is that time-out is both an acceptable and highly effective means of managing difficult and disruptive behavior.

There are many techniques used today to decrease maladaptive behavior of children. Many different factions have formed in support of one technique over the other. It is the opinion of this author that time-out is a highly effective method of behavior management in children. Time-out procedures in which the removal of positive reinforcement is contingent upon the subject's behavior, have been used in a number of studies involving human subjects. In applied studies with children, time-out usually consists of the withdrawal of stimulus materials, removal of opportunity to gain reinforcement, isolation of the subject in a specific area without the presence of persons and/or reinforcing objects, or ignoring of the subject. Such procedures have been successfully employed in a number of studies to manage a variety of child problems.

In his book SOS! Help For Parents, Clark (1985) outlines several important steps for using time-out with children. He points out, however, that the effectiveness of time-out only applies for children between the ages of two through twelve.

Clark first suggests that parents select one target behavior which will be the focus of time-out. He advises parents to gather some baseline data on this behavior by counting how many times the behavior occurs over a certain period of time. This will assist in the assessment of the effectiveness of time-out. Clark suggests that parents now pick out a boring place for time-out, such as a bathroom or parents' bedroom. He cautions parents not to use the child's room for the time-out room because there are too many pleasant items in the room and the child will soon forget that he is being disciplined.

Parents must next explain time-out to their child. In this way, the child knows what to expect, and he knows what will happen to him if he misbehaves again. At this point, parents need only wait for the target behavior to occur. Once it does, the child should be placed in time-out immediately. Clark suggests taking no more than ten seconds to do this and says that parents should say no more than ten words to their child at this time. Parents should now time their child in time-out. Clark suggests one minute per each year of the child's age. He insists that parents use a portable timer and set it within hearing range of the child while he is in time-out. During this time, parents should ignore all behaviors of their child because giving him attention reinforces his behavior.

After the time-out session is over, parents should ask their child why he was sent to time-out. This is an important step because the child needs to understand why his behavior was punished. Clark stresses one final point and that is that time-out is supposed to be a boring place. Parents should not use time-out as a means of frightening their children. This could lead to the development of emotional problems in the children.

As mentioned earlier, several studies have been conducted which support the effectiveness of time-out. Clark has been successful in outlining the procedure for time-out as it should be used in normal children. The same procedure can also be used in decreasing undesirable behaviors in children with developmental disorders. Through the following review of several important research studies, it shall be abundantly clear that time-out is a highly effective method in reducing the occurrence of undesirable behaviors.

Crespi (1988) noted that many professionals in the field of psychology have observed many difficulties when dealing with aggressive, behaviorally disordered institutionalized children. These behaviors have come to include overly aggressive play, defiance, stealing, obscene language, temper outbursts, and destructive behaviors. Many approaches to eliminate such behaviors have consistently fallen short of their goal. Crespi wanted to discover if time-out could be a significant deterrent of such behaviors as they occurred in problem children. Crespi wanted to determine if time-out would be an effective disciplinary action of psychiatric, delinquent, and behaviorally disordered children. He was also curious if time-out was equally effective with different children in different settings and if the presence of a child-care specialist had any effect.

In order to do this, Crespi recruited 274 children between the ages of five and eighteen. All of these subjects displayed some form of a behavioral disorder. One-hundred and fifty subjects were psychiatric patients, ninety were delinquent youth, and thirty-four were in a day-treatment program for children with behavioral disorders.

Crespi's procedure was simple. While in their respective settings, children were sent to time-out every time an inappropriate behavior occurred. Crespi recorded each occurrence of time-out and the mean time-out periods per day. Time-out was judged effective by how many students were allowed to
return to class after time-out. Of the psychiatric youth, the adolescent group returned 76% to class while the pre-adolescents returned 92.5% to class. The delinquent youth returned 89% to class, and the day-treatment group returned 99% to class. An average total of 89% across all groups was returned to class. Crespi’s idea that time-out would be effective in those situations was supported. He also came to two other conclusions. First, time-out was most effective outside of the classroom. Second, the presence of a child-care specialist produced a dramatic increase in effectiveness of time-out. The child-care specialists were present in the day-treatment programs (99% effectiveness).

Barton, Brulle and Repp (1987) performed a study to determine the effects of using a differential schedule of time-out and allowing one maladaptive response per interval before time-out procedures were used. They felt this would be just as effective a method as the traditional time-out procedures. They also felt that by allowing one maladaptive behavior to occur within an interval with only a warning, the subjects would develop self-control.

The subjects in this study were three mentally retarded school-aged children who each performed a specific maladaptive behavior. One child would dig his chin into other people’s bodies. Another child would use his fingernails to scratch and harm others. The third child would bite other people, and this behavior was often severe. Any time one of these children engaged in the inappropriate response, they were given a verbal warning. The next inappropriate behavior resulted in time-out.

The results from this study were exactly what the experimenters were hoping to find. After 35 days, all target behaviors had been eliminated. This study proved that time-out does not have to be used after each inappropriate behavior. Proper intervals between time-out periods can bring about the same results.

Mace (1986) conducted a study using time-out procedures both with and without a contingent delay. Contingent delay is an extension of the time-out interval for a specified period of time contingent on the occurrence of inappropriate behavior during time-out. The subjects of the study were three children with severe behavior disorders. They were sent to time-out if they engaged in either aggressive or disruptive behaviors. Aggressive behaviors included hitting, kicking, scratching, biting, or throwing an object which hit someone. Disruptive behaviors included spitting, overturning furniture, damaging other objects, and loud vocalizations. Behaviors that resulted in an extension of the time-out interval (delay-producing behaviors) included loud vocalizations and leaving the time-out chair.

Time-out without contingent delay was simply the traditional time-out paradigm. Time-out with contingent delay consisted of the same operations with the exception of a 15 second extension of the two minute interval for inappropriate behaviors during time-out.

Results from the study showed that both procedures resulted in significant decreases in target behaviors as compared to baseline data. In all three subjects, delay-producing behaviors occurred more frequently when contingent delay was in effect than when delay was not in effect. This study offers further evidence that time-out procedures are strong deterrents to maladaptive behaviors.

Bostow and Bailey (1969) conducted a study in which the effectiveness of time-out was used to reduce inappropriate behaviors in two mentally retarded individuals in a state hospital ward setting. The use of a time-out procedure for undesirable behavior was paired with reinforcement for desirable behaviors.

The first subject was a 58-year-old wheelchair patient named Ruth. She had a long history of loud and abusive verbal behavior. She constantly complained about the way she was handled by the hospital attendants and how her food and drink were never brought out and then cleaned away properly. A time-out and reinforcement procedure was designed especially for Ruth. Each time she displayed an undesirable behavior, she was wheeled into the corner of the room, taken out of her wheelchair, and placed on the floor for a minimum of two minutes. Further outbursts resulted in a longer time-out period. Ruth was also reinforced, however, for engaging in appropriate behaviors such as waiting patiently for her food. The results of this procedure brought an end to Ruth’s disruptive behavior.

The second subject was a 7-year-old boy named Dennis who had a history of severe, disruptive behavior such as attacking other people and breaking furniture. In order to remedy the situation, a time-out and reinforcement procedure was established for Dennis. Each time he engaged in disruptive behavior, Dennis was placed in time-out for two minutes. If two minutes elapsed without any occurrence of disruptive behavior, Dennis was rewarded with a cookie and milk. This procedure resulted in a significant decrease in Dennis’ disruptive behavior. He became much more manageable and was able to interact with other children.

The aforementioned studies have focused on the use of time-out with mentally retarded children and one adult. Time-out is also highly effective with children who suffer from severe aggressive behaviors. The following studies provide evidence for this statement.

Olson and Roberts (1987) compared the effectiveness of time-out with social skills training and a combination method of these two approaches. For subjects, they used eighteen pairs of aggressive siblings and their mothers upon a clinic referral. The mothers’ observations of aggressive episodes in the home were the treatment outcome measurements.

Children in the social skills groups watched a videotape containing eight scenes of sibling conflict. The children also observed eight skillful reactions to the conflict situations. For example, one videotape was of one member of a sibling pair who did not have any toys whereas the other child did have toys. A skillful response of asking to share was displayed on tape, and the children were asked to respond why it was appropriate. These skillful behaviors were also modeled by the subjects’ mothers who were using dolls as replacements for the children.

Children in the time-out group were exposed to four conflict scenes on videotape. In each case, aggression was the response of choice. Adult and child actors were used to display the proper time-out paradigm. The subjects were asked to respond why time-out was used and how it could be prevented in the future. Subjects then observed their mothers role-play
with dolls.

The combination condition involved subjects watching three social skills scenes and three time-out scenes. The question sessions and mother role-play sessions were the same as in the other two groups.

The results showed that children in the social skills group were significantly more aggressive than children in the time-out group and the combination group. The time-out group and the combination group were not statistically different. This study illustrates that time-out is a more effective deterrent to aggressive behavior than social skills training.

Webster (1976) illustrated the effectiveness of time-out in reducing severe aggressive behavior in one particular individual. The subject of this study was a 13-year-old boy named John who had a series of aggressive and disruptive behaviors at school. The behaviors were violent and had a high frequency of occurrence. These behaviors included throwing objects at other children in class and on the playground, hitting other children, kicking, biting, and pushing others. A two week period prior to testing was used to gather some baseline data.

Prior to the beginning of the experiment, John was taken aside by his teachers and was told what would happen to him every time he misbehaved. He was going to time-out. His time-out room was small (8 feet by 12 feet) and contained only a desk and a chair. Whenever he misbehaved in class, he was sent to the time-out room for the duration of the class. He was allowed to be on time for his next class, however, the same rules applied in each class. When he went to time-out, he was only allowed to take his school books with him. This procedure was scheduled to last ten weeks.

After the seventh week of the study, all of John's aggressive behaviors had been eliminated. Not only had this occurred, but John's grades and classroom participation had also increased. Webster pointed out that the results of this study suggest that time-out is a sufficiently intense aversive event in and of itself to alter deviant behavior without the application of direct positive reinforcers.

These studies have shown that time-out is a highly effective technique for reducing aggressive behavior in children. The studies reviewed to this point have concerned themselves with the evaluation of time-out in abnormal behavior conditions. The following studies describe time-out procedures used with normal children. These studies also involve the training of parents to use the techniques successfully and ends with a maternal evaluation of time-out.

Hobbs and Forehand (1975) compared the effects of contingent and non-contingent release procedures on disruption during time-out and non-compliance outside of time-out. Subjects of the study were twelve children, ages 4 to 6-1/2, and their mothers.

The experiments observed both non-compliance and disruption behaviors in the subjects. During each trial, the mothers told their children to either play with a certain toy or draw a picture. If non-compliance occurred, the child was sent to time-out. Contingent release from time-out resulted when undesirable behavior had stopped for a specified period during time-out. Non-contingent release required the child to stay in time-out for the duration of the time-out interval.

The findings of this study showed greater success in the use of contingent release time-out because it was associated with less disruption during time-out. There was no disruption in the interval immediately before release from contingent release time-out because of the release contingency. With non-contingent release, disruption during this interval occurred 65% of the time.

Mathews (1987) conducted an instructional study to teach parents how to reduce infant behavior which could result in dangerous consequences. The purpose of the study was to see if infants' potentially hazardous behavior could be decreased by teaching their mothers to use time-out for unsafe behavior, positive attention for safe behavior (also known as "time-in"), and child-proofing the home.

The experimenters first collected some baseline data on dangerous behaviors engaged in by the four infant subjects. The mothers were then taught the proper intervention behaviors of praising their infants for appropriate behaviors. Positive attention was used each time the infants engaged in an appropriate behavior. A playpen time-out was used each time the infants engaged in a dangerous behavior. The mothers were also taught how to successfully child-proof their homes.

Results over trials indicated that the combination of time-out, time-in, and child-proofing the home was responsible for a dramatic decrease in target behaviors. Training was stopped when dangerous behaviors had become low and stable. Mathews pointed out that since the procedure involved a combination of three techniques, it was impossible to determine what specifically caused a change in behavior. It can be said, however, that time-out has once again proven, whether used alone or with other methods, that it leads to decreased occurrences of target behavior.

Hobbs, Walle, and Caldwell (1984) assessed maternal evaluations of the acceptability of social reinforcement and time-out procedures following their use in a brief parent training program. Subjects consisted of twenty-eight mothers and their children. Subjects were assigned to one of four groups: social reinforcement, time-out, social reinforcement plus time-out, and no-treatment control.

In the social reinforcement group, mothers were trained to use praise contingent on child compliance. In the time-out group, mothers were trained to put their children in a corner of the room and remove both attention and toys for a period of two minutes following noncompliance. In the social reinforcement plus time-out group, mothers were trained to administer one technique or the other contingent upon compliance or noncompliance.

Time-out was rated by the mothers as an acceptable technique. Its rating was comparable in acceptability with the rating of social reinforcement. The study also showed that time-out produced greater reductions in noncompliant behavior.

All of these studies have shown that time-out is a highly effective technique in decreasing a number of maladaptive behaviors, whether severe in nature or not. It has been proven that time-out works well with normal children, severely aggressive children, and mentally retarded children. Time-out has also proven effective in decreasing the maladaptive behaviors in mentally retarded adults as Bostow and Bailey demonstrated.
In general, time-out is highly effective in children because they quickly learn it is a situation that they do not like, and they will do whatever it takes to avoid it. This causes a rapid decrease in the behaviors targeted by time-out. As Clark (1985) said, time-out should be a boring place. The objective for time-out is to bore the child. It definitely accomplishes this feat. In order to escape the boredom, children learn appropriate behaviors and eliminate their inappropriate behaviors.

The extensive review of research has supported this author’s claim that time-out is a highly effective method for decreasing maladaptive behavior. Time-out is such an appropriate method because it decreases or eliminates problem behavior in a wide variety of individuals. If this author was currently practicing family therapy, he would definitely recommend time-out to his clients for controlling children’s problem behaviors.

REFERENCES


LARRY McMURTRY: SADDLE UP, OR LEAVE THE OLD WEST BEHIND

Kaye Brown

The son and grandson of Texas cattle ranchers, Larry McMurry was a writer who saw a way of life disappear even as he came of age. The result was a young writer personally aware of the "glory of the old West" but painfully aware of its passing. McMurry admits that as a teen, he could never understand the melancholia of his father over the "good old days," but it would seem from his writing, that Larry McMurry has indeed come to an understanding of the past and its link with the present.

In a collection of essays called In a Narrow Grave, McMurry included an essay entitled, "Take My Saddle From the Wall" in which the author writes of the difficulty of being a writer and a Southerner. One critic, Larry Goodwyn, says of this essay, "What is ominous is the beguiling simplicity with which McMurry takes down his saddle in his mind while his heart immediately replaces it." 1

McMurry’s novels have been an attempt to step away from the stereotypical Western-man image into a more realistic depiction of the Southwest. Larry McMurry’s first novel, Horseman, Pass By, was viewed by critic John Howard Griffin like this:

This is probably the starkest, most truthful, most terrible and yet beautiful treatment of ranching country I’ve seen. It will offend many who prefer the glamorous treatment—but it is a true portrait of the loneliness and pervading melancholy of cowboying; and of its compensations in nature, in human relationships.2

Like his other novel of this genre and time period, Leaving Cheyenne, Horseman uses a narrator that could comfortably fit in with the other riders of the range but was sensitive enough to see his life for what it was—an attempt to live up to the cultural legend.

The author’s next novel was one in which he uses his own past in a direct way. The Last Picture Show is set in Thalia, McMurry’s own Archer City, Texas, where the film was actually shot. This novel is a frank depiction of adolescent life in the small-town setting of a West-Texas town. When the book first came out in 1966, it was criticized for its frankness. Some of McMurry’s graphic detailing of teenage sexuality included exhibitionism, bestiality, masturbation, and homosexuality. The book was hardly a re-make of Oklahoma!, but other critics felt that all the sexual scenes were highly symbolic, and Charles D. Peavy, in his article, "Coming of Age in Texas: The Novels of Larry McMurry," says that "neither Updike nor Salinger has been as successful as McMurry in describing that gnawing ache that accompanies adolescent sexuality." 3 McMurry says that he was writing The Last Picture Show to show how the town "is centered in high school." Peavy calls McMurry’s treatment of his home town "quite accurate...In the cloying confines of Thalia, the only outlet for frustrations, loneliness, boredom, even hatred—for both adolescents and adults—is sex"... In retrospect, McMurry admits that his portrayal of home and growing up might have been a little harsh, but this was his vision of his past at the time he wrote The Last Picture Show.

In a reversal from his earlier tendency to write exclusively about Texas, McMurry’s Thalia is a town that could be anywhere. According to Peavy, "McMurry’s Thalia could have been located in Sherwood Anderson’s Ohio or William Faulkner’s Mississippi." 5 There is a starkness in the landscape that could probably be represented only by an arid climate such as the Southwest. Plus there is a sense of isolation—due to the literal isolation of many small Texas towns—that might lend more credence to the characters’ life choices. However, there are no cowboys and there are no Indians; this is not your typical "western" novel. This seems to be the beginning of a departure for Larry McMurry.

After The Last Picture Show, McMurry wrote three books that departed from the rural Texas setting and took some of the characters “abroad”—to Washington D.C. and California. Some critics have called these three novels—Moving On, All My Friends, and Terms of Endearment—his “urban trilogy.” McMurry explains some of his reasons for this urban migration in terms of subject matter in an interview with Atlantic:

I was halfway through my sixth Texas novel, when I suddenly began to notice that where place was concerned, I was sucking air. The book is set in Houston, but none of the characters are Texans.

In another interview with the Dallas News, the author is quoted as saying:

I had lived in Texas quite a while, and for my own creative purposes I had kind of exhausted it. Texas is not an inexhaustible region.6

In the same interview with Atlantic, McMurry says basically that now the people have moved off the land, their regional connection is gone and now it is time to deal with the emotional differences of the people, rather than their regional differences.

In “A Writer’s Trail”, an article in the October 24, 1988 issue of Time magazine, Lee Marmom tells how Larry McMurry used to “sport around in a sweatshirt with MINOR REGIONAL NOVELIST printed across the front.” Marmom seemed to feel that McMurry wore this label as a symbol of modesty, but from what I have read, it seemed to be more of a statement of how he felt about the path of his writing.

From 1978 to 1983, Larry McMurry wrote three more books that were set mostly out of Texas. Though the characters
showed some Southwest tendencies, they were not "western" characters or "western" novels. Neither were they highly successful. Of the three, Somebody's Darling, Cadillac Jack, and The Desert Rose, the latter received the most favorable reviews. Cadillac Jack, the novel with which I am the most familiar, is about an aging antique scout extraordinary, who cares about the country in a cream-colored Caddy with peach velour interior. He is on the quintessential search for the meaning of life, but the book ends like many contemporary movies with the "hero" driving off into the sunset without resolving a damn thing. Interestingly, Larry McMurtry himself, owns an antique bookstore in Washington D.C., where most of Cadillac Jack takes place. Jack McGriff is a six-foot-five-inch ex-bulldogging champion, and much of the bizarre antique scouting he does involves weapons and cowboy boots. In addition, there are grotesque Texas characters that the author has transplanted to D.C., and it is at their homes where he feels the most "at home." Otherwise, the novel is not associated with McMurtry's home state.

McMurtry returns to Texas literally and fictionally in 1985 with his best-seller, Lonesome Dove, a novel about the brief, but very high profile, era of the great Texas cattle drives. Lonesome Dove is praised for the very same reasons as McMurtry's first novel, Horseman, Pass By. Nicholas Lemann, of the New York Times Book Review, writes of Lonesome Dove: "Everything about the book feels true; being anti-mythic is a great aid to accuracy about the lonely, ignorant, violent West." This anti-mythic foundation in the novel, according to Lemann, "works to reinforce the strength of the traditionally mythic parts...by making it far more credible than the old familiar horse operas." McMurtry told the same interviewer that Lonesome Dove "grew out of my sense of having heard my uncles talk of the extraordinary days when the range was open." And as Lehmann notes, McMurtry had heretofore addressed this subject only in his non-fiction essays.9

Following Lonesome Dove, Larry McMurtry has written Texasville (1987), a surprising sequel to The Last Picture Show, which shows the return to Thalia of Jacy, the spoiled little rich girl. As well as reviving the old set of characters, McMurtry also deals with the post-oil-boom mentality of Texas in this novel. He followed that with a book of essays called, Film Flam: Essays on Hollywood—the title being self-explanatory. And then finally, Anything for Billy, a novel about Billy Bone, (Billy the Kid), which McMurtry finished in 1988. He followed this with Buffalo Girls, a novel about the lives of Calamity Jane and Annie Oakley, in 1990.

In an essay for The New Republic, October, 1990, Larry McMurtry seems to validate his reasons for his particular writing path. He explains that writers from the West or Southwest have always fought an uphill battle against a century of romanticized myths and an entire nation that certainly does not want the myth of the Old West pummelled, or even shoved. Though literary critics have praised his more literal, less sugar-coated tales of the West, McMurtry realizes that the West was made by those like Buffalo Bill who "made" the legends.

McMurtry describes trying to write a screenplay for John Wayne, Henry Fonda, and James Stewart in 1971. The movie, which was later to become Lonesome Dove, was to be an "end-
seems significant to consider how his ideas have changed through the years. McMurtry seems to have returned to the Old West for his writing impetus. Critics who praised his “urban trilogy” as “his most important contribution to changing the Western novel” may be disappointed and feel this is a cop-out on the author’s part. Personally, I feel that it just seems a natural progression. From what I have learned of regional writers trying to write of their own home states and their own immediate pasts, it would seem that Larry McMurtry has gone through the cathartic portion of his writing career and has come back to his first love—the Old West. However, it is important to note that this is not the rose-colored version of the Old West, but the McMurtry version.

McMurtry ends his essay in The New Republic conceding the point that the Revisionists have a right to “shine the sober light of common day” on the myth of the West. However, he adds, to leave out the myth and imagination entirely could be a dangerous thing. Considering the Quixotistic quality at the core of the Western story, he urges Revisionists to “read the end of Don Quixote, to consider what happens when the crazy old Don surrenders his fancies and lets the tough little realist have his way.” It would seem that the Larry McMurtry, who could not decide whether to take his saddle off the wall or leave it hanging, has decided that the Old West is not an inexhaustible supply of lore.

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TYPE A AND TYPE B BEHAVIORS: MISCONCEPTIONS AND REALITIES

Sandy Schock

There are many preconceived notions of Type A and Type B behaviors. There are also many conflicting studies regarding how Type A and Type B behaviors interact with their environment and how they perceive their environment. The objective of this paper is to distinguish between misconceptions and realities that pertain to Type A and Type B behaviors. The focus of this paper is on conflict, role overload, environmental demands, goal accomplishment, acquiring information, and linkage to coronary heart disease of the two behavior types.

First, the Type A and Type B behaviors are defined. Second, the misconceptions and realities associated with six factors of Type A and Type B behaviors are discussed. Finally, the implications of the two behavior types are examined for their adequacy.

Defining Type A and Type B Behaviors

Type A behavior is characterized by an extreme sense of time urgency, competitiveness, impatience, aggressiveness, and ambition (Tang & Liu, 1989). Type A behavior has been described in adults as"aggressive involvement in a chronic, incessant struggle to achieve more and more in less and less time"(Suls & Wan, 1989, p. 503). In contrast, Type B behavior is characterized by relaxation, easy goingness, satisfaction, and unhurriedness (Tang & Liu, 1989). This explains why Type A behavior individuals regard Type B behavior individuals as inferior to them. These are general descriptions of the behaviors and will help in understanding how they are related to the following factors.

Conflict

There are indications that Type A persons have a tendency to become involved in interpersonal conflict more than Type B persons. This is partly due to Type As impatient and irritable nature. Also since they prefer to work alone, they dislike giving control to others in any situation (Baron, 1989). Finally, as Type As lose their temper, they show higher levels of aggression than Type Bs (Baron, 1989).

The previous indications of Type A persons are not necessarily true in all situations. It depends on whether or not the interpersonal conflict is with subordinates or superiors. In the case of subordinates, Type A individuals do report a higher frequency of conflict than Type B individuals (Baron, 1989). Interpersonal conflict with supervisors may be higher for Type A individuals, but it has not yet been proven to a reasonable degree. Further research is needed involving the interaction of Type A individuals with their superiors.

Role Overload

Role overload is defined as having too much to do in the time available. Type A behavior individuals believe they have greater role overloads than Type B individuals. Earlier research relying on self-report measures supported this claim. However, further research suggests that this finding has resulted from perceptual errors rather than actual behavior differences (Kirmeyer, 1988). Employees’ perceptions of being overloaded are associated with greater effort, fatigue, anxiety, and job dissatisfaction (Kirmeyer, 1988). When employees perceive they are working harder than others, their productivity, quality of task performance, and anxiety are affected. Further research is needed in this area to observe whether Type A behavior individuals really do work harder than Type B behavior individuals.

Environmental Demands

Type As appraise their environment as more demanding and report devoting more time to professional obligations than Type Bs (Kirmeyer & Biggers, 1988). Also, Type A college students report devoting more time to classes, studying, and paid employment than do Type Bs (Kirmeyer & Biggers, 1988). The activities of Type As seem to indicate that they are internally initiated as compared to Type Bs. The question is raised as to how much the environmental demands are attributed to the environment and how much are self-imposed. Recent research shows that Type As construct more demanding work environments by altering their environment (Kirmeyer & Biggers, 1988).

Goal Accomplishment

In terms of setting and accomplishing goals, it is believed that Type As are more productive than Type Bs. That is they are more likely to engage in job-relevant activities than job-irrelevant activities (Kirmeyer & Biggers, 1988). In a recent study, the results do not support the belief that Type As are more productive than Type Bs (Tang & Liu, 1989). This may be due to self-presentation concerns of the subjects, because of both the experimenter being there and the short time period in which the experiment was conducted. Also, Type A appear to be more successful than Type Bs. This is attributed to their driven and competitive nature. Yet, research on their task performance has failed to confirm their superiority (Kirmeyer & Biggers, 1988).
Acquiring Information

Type A perceive greater utility and satisfaction in a goal that is used to assess task-related competencies, while Type Bs perceive greater utility and satisfaction when a goal is used for monetary gains (Freedman & Phillips, 1989). This is not necessarily always so. Type Bs may want to verify their competencies by acquiring information that is not connected to monetary rewards. For example, Type Bs might want to acquire information when they know that scarce rewards will be allocated on a task-related competency basis (Freedman & Phillips, 1989).

Linkage to Coronary Heart Disease

Type A behavior has been linked to coronary heart disease. This is not to say that anyone who is labelled as having Type A behavior will necessarily contract coronary heart disease, but there is an increased risk there. It has been suggested that the neuroticism and depression experienced by Type A individuals may be the factors leading to coronary heart disease, rather than their competitiveness or time urgency (Suls & Wan, 1989). However, this has been contradicted by a meta-analysis by Matthews (1988) that found that depression and anxiety did not lead to coronary heart disease (Suls & Wan, 1989). This contradiction has something to do with the self-report measures used in the various studies.

The meta-analysis by Matthews shows that the Jenkins Activity Survey (JAS), a self-report measure, is not a significant predictor of coronary heart disease (Matthews, 1988). This self-report measure should be administered with the Structured Interview (SI). The Structured Interview has been found to be a significant predictor of coronary heart disease (Matthews, 1988).

Implications of the Behavior Types

Type A and Type B behaviors are two very distinct ways to categorize people. There is also an intermediate behavior type to place people in when they do not fit completely into one of the extreme categories. By saying one person definitely has Type A behavior and another has Type B behavior, one is stereotyping people based, more or less, on what those people perceive themselves to be. The Jenkins Activity Survey and Structured Interview are based strictly on people's opinions of how they react to different stimuli in their environment. Their opinions are not as accurate as observations would be. More research is needed involving observations of people with Type A and Type B behaviors. This research should be used in conjunction with the previously mentioned surveys.

Conclusion

Shortcomings—People have many opinions concerning Type A and Type B behaviors. These opinions sometimes are misconceived due to lack of knowledge and ease of classifying people into these two broad categories. For example, the Type A pattern, defined by physicians, was seen as a medical syndrome of the variety of "I know it when I see [diagnose] it" (Friedman & Booth-Kewley, 1988). This implies Type A behavior is the same as coronary-prone behavior. The fact is that Type A behavior and coronary heart disease are not one of the same. Type B behavior individuals are regarded as lazy when compared to Type A behavior individuals. In reality, Type B behavior individuals just know how to be more relaxed about what they are doing than their Type A counterpart.

Strengths—Type A and Type B behaviors do describe the ways people react to their environment, and how they perceive their environment. This can be helpful if someone is diagnosed as an extreme Type A behavior individual. This person could then be tested for coronary heart disease, since they are at an assumed increased risk. Regardless of what behavior type a person is, it helps to know that from taking the Jenkins Activity Survey or Structured Interview, people can find out other's perceptions of themselves. In this way, people can try to change critical behaviors to lead a more productive, healthy life.

REFERENCES

THE EXPLOITATION OF ANTARCTICA

Kelli Smith

Many people often think of Antarctica as simply a huge mass of ice dwelling somewhere at the bottom of the world. Others think of it as a vast land of beauty that humankind is presumed to admire from afar. This latter idea is now the basis for the recent debate over Antarctica’s future. For many reasons, Antarctica is now a prime target for environmental exploitation.

Many facts about Antarctica make it a haven for both researchers and tourists. Antarctica measures 5.4 million square miles. Although it is almost completely covered by ice that is 1.9 miles thick, Antarctica is actually a vast desert (Cardozo and Hirsch 285). It receives only four to ten inches of precipitation each year, yet it contains approximately 90% of the entire world’s water supply. Antarctica is dominated by pack ice and icebergs, most of which remain immersed in the surrounding waters (Alten 55).

The Antarctic Peninsula, however, is where most of the research is concentrated. Here summer temperatures can reach 60°F, and the Peninsula is where most of the wildlife, such as penguins, whales and seals, reside. There are eighteen nations who operate research stations here. As of January, 1990, the U.S. McMurdo station alone had 304 workers carrying out over 79 projects (Hall, Smith, and Carey 72). Most of these researchers are trying to uncover new scientific information and explore the resources Antarctica has to offer.

Deborah Shapley believes that scientific exploration and research of Antarctica is crucial to understanding global change around the world (A27). Not only has recent research made new discoveries in the ozone hole dilemma, but it has also realized a medical potential for fish known to have a natural antifreeze. The possibility exists that this discovery could lead to organ preservation for human transplantation (Hall, Smith, and Carey 73). Scientists have also begun to understand from Antarctic exploration the long-distance and long-term effects of pollution (Lemonick 60).

Valuable resources also exist in Antarctica. Glacial ice has recently become the principal asset of the continent. It offers the possibility of being converted into fresh water supplies to be used all over the world.

There is also some evidence that minerals exist on the continent. The possibility of mineral exploration opens new doors on the subject of Antarctic research. While mineral investigation could provide for the gathering of useful and valuable information and commodities, it could also lead to exploitation of the continent. A question also remains as to whether minerals can economically be unearthed (Pyne 351).

Despite the many positive effects of research in Antarctica, environmentalists are today concerned about pollution and physical damage to the continent. Scientists believe the worst threats to Antarctica come from the tons of garbage being left by research stations and being dumped overboard tourist ships visiting the area (Brody C1). While pollution is largely being generated in operating research stations, abandoned research stations have also contributed to the problem.

Close to the McMurdo base, trash and waste have been left behind. There are empty food supply crates and labels on boxes that are still legible from 1907 (Hall, Smith, and Carey 73). A British research base, inoperative since 1969, has left behind waste without anyone returning to clean it up (Alten 58). There still remain boats and wrecked helicopters, as well as unused oil drums, food scraps and toxic chemicals (Hall, Smith, and Carey 73).

Currently operating research stations have increased the pollution problem. The Environmental Defense Fund (EDF) investigated some Antarctic research stations and found evidence of ocean-dumping and waste burning (“Antarctic Pollution” 133). A base on King George Island made a dumping ground out of a lake and forced penguins to flee the area (Alten 58). McMurdo was also found to be dumping waste in a nearby landfill. To show their disapproval, Greenpeace and EDF dumped garbage from the McMurdo landfill on the headquarters of the National Science Foundation (Hall, Smith, and Carey 73).

While situations like these have been the worst threats to the physical environment, attempts to clean it up have been made. After recommendations were made by EDF to clean up the area, researchers and environmentalists at McMurdo have been in the process of recycling and shipping out unsafe materials for disposal. Others believe that due to the redundancy of much of the research being carried out in Antarctica, the harmful impact on the physical environment could also be lessened by consolidating “into an international effort at a few well-equipped centers such as McMurdo” (Hall, Smith, and Carey 76). While ocean-dumping has contributed to water pollution, pollution of the water has also been generated through a recent fuel spill. An Argentine supply ship, the Bahia Paraiso, wrecked on the edge of the Peninsula on January 28, 1989. It spilled 170,000 gallons of fuel, not only polluting the water but also killing various life forms. Some scientists have pointed out that penguins may lose their insulation against the cold from soaking up the fuel into their skin (Brody C1). Jane Brody stated that wreck “has served to highlight the actual and potential threats to what has heretofore been the least polluted place on earth” (C1).

Extensive damage has been done not only to the environment of Antarctica. As a result of commercial harvesting, Antarctic wildlife has suffered. Krill, a life form vital to the survival of Antarctic animal life, has been used to produce animal feed and pet food. It takes vast amounts of krill to support life higher on the food chain, such as penguins, seals and whales. For example, approximately 100 pounds of krill sustain only two ounces of killer whale, and a single blue whale can eat three to four tons of krill. The destruction of krill, therefore, means an urgent threat to remaining life forms. While the current harvesting of krill has not been considered alarming, it may not take much
Another recent problem appearing in Antarctica has been tourism. Tourism in Antarctica has escalated to about 2,500 visitors each year, and this large number has had many effects on the land. Tourists have posed a threat to research, to the environment and even to themselves.

Cardozo and Hirsch point out the fact that “it is sometimes difficult to draw a sharp line between tourism and science in the Antarctic” (291). Visitors have disrupted ongoing research at some of the facilities on the Peninsula which, in turn, has not put taxpayers’ money to proper use (289). Jack Talmadge, representative of the NSF Division of Polar Programs, has elaborated on these problems:

Our concerns about Antarctic tourism are threefold.... Prospects that it will interfere with science, that there will be an impact on the Antarctic environment, and that there might be a need for search and rescue, which our program is really not set up to provide. (Cardozo and Hirsch 289)

No one has suggested an end to all tourism. However, restrictions must apply. After some research bases refused to entertain visitors, a workshop was set up in Washington, D.C. to air this ongoing feud. Its outcome set up restrictions for tour companies and prompted one research station to reopen and compromise by setting reasonable limitations on its facility.

The main problem in governing exploration lies in the discrepancies concerning ownership and control of Antarctica as a whole. The Antarctic Treaty has protected Antarctica for more than 30 years. It was signed by 12 nations in 1959, and it “opened the gate to international cooperation” in the area (Alten 55). Ratified in 1961, the treaty “forbids military activity, bans nuclear explosions and radioactive waste disposal, and mandates international cooperation and freedom of scientific inquiry” (Lemonick 59). Its acceptance into international law provided for worldwide scientists to do research and recognize ways to protect Antarctica’s environment (Alten 55).

Recently, however, this treaty has been challenged. The Convention on the Regulation of Antarctic Mineral Resource Activities, also known as the Wellington Convention, was held in 1988. For the first time, the original Antarctic Treaty signatories acknowledged a framework for mineral exploration and exploitation. They agreed that restrictions on exploration should be set so as not to further infringe on Antarctica’s environment.

While this seemed like a reasonable resolution, France and Australia decided not to sign the new treaty. They voiced the opinion that not only should mineral exploration be controlled, it should not even be allowed to take place (Alten 58). Italy, Belgium and New Zealand have followed suit. Added to this problem, there has also been concern over possible military bases being established in the area. Michelle Alten summed up what she believes is the underlying dilemma in Antarctic research:

No one, it seems, has the power to enforce the codes that have been set. Treaty members carefully eye the others’ bases for any sign of military developments. But when it comes to damage to the environment or endangering the continent’s wild denizens, they avoid rocking the peaceful ship. (58)

While Greenpeace and the EDF have been the foremost crusaders for Antarctica’s protection, opposition to further Antarctic exploration and environmental abuse has also been expressed by some very prominent individuals. Jacques Cousteau, an outstanding voice in environmental concerns, has worked with other environmentalists and proposed a Natural Reserve and Land of Science notion for Antarctica. This has been an attempt to halt all development in the region and call for a complete ban on all mineral exploration (Shapley A27).

The United States Congress also passed a law in late 1988 prohibiting Americans from participating in or carrying out any Antarctic mining activities. Furthermore, Australia has suggested turning Antarctica into a “wilderness park” (Hall, Smith, and Carey 76).

An important question now presents itself. Research stations have made their mark on the continent by becoming much more permanent in their existence. McMurdo station alone houses four bars, a gym and bowling alleys. Could this intrusion be leading to a more “homey” Antarctic environment, meaning it could no longer be the mystical and vacant land it has always been?

Antarctic research clearly has its positive effects. The negative effects of Antarctic exploration, however, are leading to the slow destruction of Antarctica’s physical environment, leaving abundant a vast amount of exploitation of one of the most beautiful places on earth. It has become obvious that politicians, world leaders, scientists and environmentalists alike “have yet to find the right balance between studying the Antarctic and preserving it” (Lemonick 57).

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JUST-IN-TIME: THE THEORY AND ITS IMPLEMENTATION

Diana Wooden

American manufacturing is quickly entering a new phase in its ever-changing development. The 1980's have seen foreign competitors entering into the nation's market. As a result, American industries have begun adopting new philosophies and accounting practices in order to remain in the economic race. One of these accounting systems—Just-In-Time—is highly touted as the wave of the future in managerial accounting. Three important steps must be taken to develop a potentially successful JIT system. First, the concept of JIT must be understood by the workers and management. Secondly, managers must abandon outdated practices which detract from JIT. Lastly, appropriate implementation techniques must be put into effect.

Just-In-Time has been the source of increasing interest and excitement over the past few years. As with many popular ideas, misconceptions concerning JIT have emerged. Exactly what is JIT? JIT is not an inventory program, a cultural marvel, a materials program, or a cure-all for inept management. Instead, it is a philosophy which revolves around the idea of waste-elimination. Waste is defined as anything other than the minimum amount of equipment, materials, parts, and workers' hours that is necessary to add value to the product.

JIT has as its ultimate goal zero defects, and this translates into zero variance. Thus, early detection of imperfections and instantaneous corrections are vital. Only with the workers' support and understanding is this aspiration realizable. All personnel must have an adequate comprehension of JIT and be actively involved in improving operations. This means training programs for the workers are necessary when JIT is first placed into effect. Workers who do not comprehend the theory behind the system should not be expected to accomplish this zero defects goal.

Another facet of JIT is the elimination of massive product inventories and the employment of flexible inventories. If a factory sells a product daily then it should manufacture daily. This means fabricating items in small batches each day and not allowing inventories to amass. An example of an industry which has until recently avoided this principle is the U.S. automobile industry. Based on the gradual upward trend of the economy in the early to middle 1980's, carmakers constructed more and more cars in an attempt to cash in on the economic uplift. As the economy slowed down, however, the manufacturers did not respond. They continued to produce more and more automobiles, and, thus, massive inventories were created. These cars were difficult to market, and losses resulted. Only recently have automakers responded and employed a seemingly JIT system.

In order to attain a workable JIT program, managers must analyze their present work techniques and weed out the ones which contradict the concept of JIT. Management is generally reluctant to alter the time-honored procedures of their various companies due to the time and money involved. They must realize, however, that by adopting a JIT program and correcting these fallacies, they will save money in the long-run.

One of these "cherished dogmas" is the belief that machines must remain busy one hundred percent of the time. It has long been believed that idle machine time is inefficiency in itself. Often this practice results in an overflow of inventory, and this inventory sits in warehouses for months and months. Managers must come to appreciate the fact that small batches of marketable, machine-produced goods are more economical than piles of immovable and outdated stock.

Frequently, in an attempt to reduce spending, purchasing agents either buy substandard materials or buy huge amounts of regular materials in order to take advantage of quantity discounts. These actions generally result in excess inventories, higher carrying costs, and, in the end, shoddy products. The purchasing agent must, therefore, understand that his decisions have a direct impact on the output of the factory. Buying quality materials in small amounts is, indeed, the answer to these long-standing problems.

A final misapplied practice of the conventional system is payment of workers on a piecework incentive basis. This inspires employees to manufacture vast amounts of units in order to earn a higher income. Often, this high turn-out is detrimental to the quality of the products. Clearly, this system must be abolished. Under JIT, workers are paid a daily rate, and performance is measured according to zero-defect outputs. Also, workers are trained to perform many different tasks in order to achieve an ever higher quality of product.

Once a JIT program has been implemented, the operation may be fortified by means of an Electronic Data Interchange. In order to meet the accelerated information need under JIT, numerous companies have established systems which combine electronic records with computerized accounting, inventory management, and related reporting subsystems. These systems are utilized in order to yield documents such as material releases, invoices, and purchase orders. The documents are in turn used to pinpoint the precise status, location, and state of an order as it is used throughout the factory.

Electronic Data Interchange or EDI allows a computer in one company to exchange documents with a computer of another company. Written documents are translated into binary code so that these computers can communicate with each other. This eliminates a great deal of bulky paperwork and also lessens the exchange-time. It must be realized, however, that accounting systems do vary from company to company, and appropriate means must be used to combat this problem.

Standards for converting written documents into a common electronic document must be formulated. There are procedural formats for arranging the data in invoices, advanced shipping notices, and data releases. A data dictionary is also
necessary to delineate the exact meaning of the various components of data in these documents. This dictionary also aids in the prevention of inconsistency. Transmission protocols are the final means used to prevent variance between systems. These protocols specify exactly how the set of accounting transaction records is structured and handled by the different communication devices.

EDI not only streamlines the order/delivery cycle of goods by reducing the flow of paper and mailing expenses, but also cuts down on the work of the accounting and finance departments. EDI does away with dissipative data rekeying and sharply reduces errors that usually result from repeated manual data transactions of suppliers, manufacturers, and deliveries. This reduction in the paperwork of the accounting department allows accountants to be more directly involved with the production process and, thus help to implement JIT to an even greater extent.

A prime example of the correct and beneficial implementation of EDI is the Chicago-based Navistar. This company has materials delivered a mere four hours before they are placed in production. Navistar has various electronic links with suppliers, and these ties have helped reduce inventory by $80 million in its first year of operation.6

Another prime method which is used to strengthen a JIT system is by means of vendor analysis. In order to achieve a smooth production cycle, manufacturers must make certain that the suppliers of the raw materials make timely deliveries at specified intervals. JIT stresses a development of close-working relationships with a small number of vendors selected not only on a monetary basis, but also according to various aspects of product and service quality.

This vendor analysis involves the evaluation of what suppliers have done in the past and what they can do in the future to refine operations and reduce costs. A rating system is, therefore, used to provide a relatively objective view of vendors' services. Representatives from purchasing, engineering, quality assurance, materials management, and accounting must first work together and list all relevant factors to vendor appraisals. These factors may include such things as bid price per unit, credit terms, returns policy, accuracy in billing, and delivery.

After the factors are listed, they are placed into rather broad categories in order to prevent overlapping. The team of evaluators then begins to delegate weights to the various factors based on the level of importance which the committee places on them. The next step is to formulate a method by which to measure the various vendors’ performance on each facet. The numerical measures of each vendor are then multiplied by their appropriate weights. Finally, the results are totalled, and these numbers represent the suppliers’ overall rating.

One firm which has utilized vendor analysis for several years is Copeland Electric Corporation, a subsidiary of Emerson Electric Company. This firm produces over 700,000 supreme-quality hermetic motors every year for use in refrigerator compressors. Since January 1986 Copeland has been using a vendor rating system based on ten performance factors to evaluate the fourteen vendors of raw materials which supply almost eighty-five percent of all their materials. In most instances, only one supplier is needed to meet normal demand. A second supplier is employed in order to make sure that there are ample materials when demand is at its peak. The rating system has achieved its purpose by assessing the performance of each vendor on each of the ten factors to help the vendors ascertain their weaknesses and strengths and to evaluate their competitors. It is clear that this system greatly enhances communication and solidifies the very important relationship between vendor and buyer.7

While JIT does appear to be advantageous to all industries suffering from inefficiency, it is actually only profitable for those enterprises which are devoted to repetitive manufacturing. Job-order operations are much more complex than assembly-line or process operations. Also, any cessation of the flow of materials through a JIT shop as a result of unexpected mishaps will trigger a shut-down of the entire system until the problem has been corrected. For some industries the benefits of early detection do not outweigh the total system crash. Finally, implementing a true JIT system requires ample lead time, which is likely to translate into many years and vast amounts of money.8

One of the many firms which possesses the right conditions and has successfully employed JIT is AT&T. At their manufacturing facility in Shreveport, Louisiana, AT&T conducted a study which showed lead time was reduced by more than 90%, quality was enhanced by 60%, productivity was increased by 65%, and work-in-process inventories were diminished by 95%. AT&T is not alone, however. In 1988 approximately 14% of American manufacturers adopted JIT as a continuous improvement program. By 1993 it is expected that half of all United States industries will have moved toward Just-in-Time.9 The time for Just-in-Time has, indeed, arrived.
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The “expectation gap” refers to differences in the perceptions of auditors and financial statement users about the auditor’s role and responsibility (Gaffney 1989, 17).

General Information

When analyzing the different aspects of accounting, certain controversial topic areas become apparent. One such area is the “expectations gap.” The expectations gap results because there often exists a significant difference between the level of confidence perceived by the user and the level of confidence (assurance) provided by the auditor (Lehman 1990, 17). Extensive studies and surveys have verified that a high level of confusion does exist among financial analysts, shareholders and bankers concerning the level of confidence to be placed in audited financial statements (Miller 1990, 68). In addition, other studies illustrate that the private sector has a poor understanding concerning the purpose of financial audits (Gaffney 1989, 17). Mr. Chenok, president of the AICPA, feels “there will always be a gap between the public’s expectations and the auditor’s ability to meet them” (Barrett 1990, 75). Therefore, the accounting profession should not attempt the task of “closing” the gap. Instead, emphasis should be placed on narrowing and minimizing the effects of the gap.

Issue Dates Back

The controversial issues concerning the expectations gap have haunted the accounting profession for decades. In 1978, the AICPA’s Commission on Auditors’ Responsibility, referred to as the Cohen Commission, performed an extensive, comprehensive study of this topic. During the 1970’s, several accounting standards concerning the expectations gap were proposed and implemented. However, a gap continues to exist between “the auditor’s role as perceived by auditors and the expectations of financial report users” (Giacomino 1988, 4).

Viewed as Auditor’s Fault

Public Sees Auditor as a Guaranator

One of the main reasons that this gap has continued to exist over the years is that financial statement users want someone to guarantee their investment in a company from any risk or to act as a guarantor of the accuracy of a company’s financial statements (Taylor 1989, 30). “Many people believe that auditors can act to prevent investor and creditor losses” (Taylor 1989, 30). However, the auditors do not feel that these are the primary responsibilities of an audit.

Problem Apparent When a Business Fails

The problems and issues associated with the expectations gap become “all too apparent when a business collapses” (Lehman 1990, 17). A few sudden business failures will turn the public’s attention to the audited financial statements (Kramer 1988, 18). As a result, the investing public often blames the auditor for not forecasting the collapse in the auditor’s report (Lehman 1990, 17).

Basic Methods to Reduce Gap

Mr. Chenok feels that the gap has narrowed significantly over the years. He also believes that the gap will narrow “further in the years to come.” If auditors and the users of financial statements will place significant importance concerning this topic (Barrett 1990, 75). Even though the gap might continue to narrow, auditors will not be able to provide the users with the level of confidence that they desire. The only way an auditor could offer that degree of assurance would require designing the audit to analyze every one of the company’s financial transactions. “Obviously, time and money constraints make such an audit impossible” (Taylor 1989, 30). The auditing profession contends that if an audit is to be cost effective, there exists no feasible way to audit every transaction in every account (Taylor 1989, 30). There exist two basic methods that should be used in combination when attempting to narrow the gap. First, the public needs to be continuously reminded of the auditor’s role. Second, the audit process needs to become more effective. By doing so, the audit will be close to the public’s expectations (Barrett 1990, 75).

Accounting Profession Addressed the Issue

Issuance of 9 New Standards

Congressional critics and the business community decided that the accounting profession’s perceived passive role concerning this issue was no longer acceptable (Madison 1990, 41). These people felt that the accounting profession should provide some regulations to help minimize the gap. In response to the growing criticism from governmental agencies, congressional leaders, and the investing public, the accounting profession issued nine Statements on Auditing Standards (SASs) in 1988 (Lehman 1990, 17). The new standards were the culmination of various studies performed by the accounting profession. The standards addressed issues and concerns of bankers, members of Congress, investors, accounting firms, and other concerned organizations (Weirich 1989, 51).

Standards Impose Significant Changes

“The SASs are intended to improve the standards for audit
The changes in auditing standards in 50 years (Barrett 1990, 75). The new SASs do pose very significant alternatives to the accounting profession. Therefore, their impact will be felt by the users of the financial statements, management, auditors, and all other individuals who rely on the audit report (Smith 1988, 45).

The new standards are to be effective, they cannot be “taken lightly by the practicing CPA” (Causey 1990, 56). Marcie Smith, the Internal Auditor for Auburn University, stated that the new standards will require, in most situations, a more thorough audit, necessitating a more efficient and effective audit (45).

Criticism Concerning New Standards

When analyzing the accounting profession’s effort to narrow the gap, some individuals have criticized these new standards. They have stated “the new proposals added confusion rather than abated it” (Goldwasser 1987, 96). Others have felt that the actions taken by the accounting profession were “reactive instead of proactive” (Madison 1990, 41). The profession did not propose the new SASs until extensive pressure was exerted by Congressional leaders and the business community. Although there were critics of the new standards, the issuance of them should significantly increase the reliability of audited financial statements (Weirich 1989, 57).

Financial Statement Users

Financial Statement Users

Over the years, the users of financial statements have changed significantly (Rimerman 1990, 82). The number of users has greatly increased since the passage of the federal securities laws in the 1930s (Taylor 1989, 30). “Unfortunately, this increase in the number of users has not gone hand-in-hand with increased education of these users” (Taylor 1989, 30). One of the main ways the AICPA hoped to narrow the expectations gap was to better educate the high number of financial statement users (Smith 1988, 45). Auditors felt that if the users were better educated concerning the auditor’s role and the limitations of this role, the gap would greatly be reduced (Giacomino, 1988, 4). Even with emphasis on educating the users, they still have significantly different expectations about the level of assurance that is provided by financial audits.

In addition to expecting a high level of assurance from auditors, users are demanding additional information concerning companies (Rimerman 1990, 82). This increase in demand for information has resulted in users relying on other forms of information concerning businesses in addition to GAAP financial statements (Rimerman 1990, 82). If users continue to rely on these other forms of information, public accounting firms “could face competitive disadvantages” (Rimerman 1990, 83).

Constitutional Regulation of Accounting Profession

Due to the expectations gap problem, the accounting profession is “under fire by Congress” (Giacomino 1988, 4). Many congressional leaders propose increased governmental regu-

ations as a way to narrow the gap (Kramer 1990, 18). The CPA certificate might become less respected and the AICPA’s self-regulatory powers would be threatened if the government became more involved in the standard setting process (Rimerman 1990, 83). Even though many of the problems that are associated with the expectations gap are a result of substandard audit performance, “the government’s reaction stems from differing perceptions concerning independent auditors’ responsibilities” (Giacomino 1988, 4).

Over the years, there has existed several hearings, congressional reports, and committees created by Congress to address the issue of whether the government should increase regulations in the accounting profession. In 1986, Representative Ron Wyden introduced legislation that would impose strict new obligations on businesses and their auditors (Kramer 1990, 18). The House Subcommittee on Oversight and Investigations of the Committee on Energy and Commerce, informally referred to as the Dingell Committee and led by Representative John D. Dingell, has been monitoring the success of self-regulation within the profession (Giacomino 1988, 4). Many of the congressional leaders feel “self-regulation in the profession is not enough” (Smith 1988, 45). Congress believes there is a need to expand the auditor’s role to include greater responsibility (Giacomino 1988, 4).

Not a Proper Solution

However, government intervention is not a very popular solution from “virtually all sides” (Kramer 1990, 18). The SEC does not consider congressional legislation to be a practical way to narrow the gap (Kramer 1990, 18). The United States is considered to have one of the best systems of corporate financial reporting in the world. The quality of this system has been maintained through active self-regulation by the participants (Kramer 1990, 18).

Managers Versus Auditors’ Responsibilities

Primary Responsibility of Managers

Practitioners and accounting researchers agree there is a high level of confusion concerning the relative responsibilities of management and the auditor (Miller 1990, 68). The public does not realize that the primary responsibility for the financial statements rests with the management of that firm. In addition, the public is not aware that the audit examination unavoidably involves “necessarily imprecise judgements” (Taylor 1989, 30). The accounting profession feels that a business failure is not necessarily an audit failure (Krasnoff 1987, 71). Robert W. McGee, a CPA who maintains a consulting practice in New York, conducted a survey of accountants and business managers across the United States. Over 80 percent of the individuals who responded to the survey felt that all information contained in the financial statements is the representation of management. These individuals also felt that the auditor’s report should include statements that would clarify this issue (McGee 1987, 95).

Cannot Assume Honesty of Managers

Even though the financial statements are the primary
responsibility of management, the audit should be designed to evaluate the presence or absence of material misstatements (McGee 1987, 95). When performing this task, the auditors were once able to assure the honesty of management as a standard practice. This assumption by the auditor is no longer valid (Levy 1989, 53), “An otherwise honest and conscientious management, in the face of such conditions, and under pressure by the financial community to demonstrate strong earnings performance, might intentionally distort accounting estimates” (Korrath 1990, 15). Instead, the auditor should assume neither honesty or dishonesty of management (Levy 1989, 53).

Internal Control

SAS 55 “Considerations of Internal Control Structure in a Financial Audit”

When designing the audit to evaluate the presence or absence of material misstatements, the auditor must become familiar with the company’s internal control structure (Herdman 1988, 9). The new standards concerning the expectations gap require that the auditor have a more thorough understanding of the client’s internal control structure than did previous standards (Pushkin 1990, 9). Specifically, SAS 55, “Consideration of Internal Control Structure in a Financial Audit,” emphasized the importance of internal control by broadening the auditor’s responsibility to study and evaluate internal control in the planning phase of an audit (Weirich 1989, 55). The auditor should be aware of the reliance that a company places on internal controls. He should understand the difference between the appearance of a functioning and effective control versus one that actually serves to prevent an irregularity from taking place (Levy 1989, 53). When analyzing a company’s internal control structure, the auditor should examine the three elements: the control environment, the accounting controls, and control procedures (Pushkin 1990, 9).

SAS 60 “Communication of Internal Control Structure, Related Matter in an Audit”

In addition to SAS 55, another standard, SAS 60, was issued concerning internal control. SAS 60, “Communication of Internal Control Structure, Related Matter in an Audit,” addressed internal communication requirements. This standard redefined the information that auditors report to audit committees or similar bodies relating to an entity’s internal control structure (Weirich 1989, 55). This new standard requires auditors to report a broader set of internal control “deficiencies” to the audit committee (Weirich 1989, 55).

Detection of Fraud

What does the public expect from the auditor and audited financial statements? At the very least, users of audited financial statements want protection against management fraud (England 1987, 52).

Fraud Designed to Deceive

A large portion of the frauds involve imaginary accounts that do not exist in the company’s books or records. As a result, these frauds do not “flow through to the financial statements, and thus, often defy detection or analysis” (Levy 1989, 53). Auditors must remember that by definition, fraud is designed to deceive, including them (Levy 1989, 53). If a fraud is permitted to exist undetected, it will grow. The acceleration of the growth depends on several factors, including the skill of the perpetrator and the internal controls to which he or she is subject (Levy 1989, 53).

Audits are not Proper Detection Methods

Under Generally Accepted Auditing Standards (GAAS), an audit is not the proper means for fraud detection. Detection of fraud requires a level of skepticism higher than what the traditional GAAS audit has required (Levy 1989, 53). In a survey of accountants and business managers, two-thirds of those responding felt that the accounting profession would suffer if auditors were required to assume a higher level of responsibility in the detection of fraud. One of the accountants surveyed stated that an auditor should design an examination to detect material misstatements that would include fraud. However, including fraud detection as a formal audit goal would only serve to increase the public’s expectations beyond the actual capabilities of an auditor (McGee 1987, 95).

SAS 53 “The Auditor’s Responsibility to Detect and Report Errors”

In response to the public’s complaints concerning the responsibility assumed by the auditor for the detection and reporting of material errors or irregularities, SAS 53, “The Auditor’s Responsibility to Detect and Report Errors and Irregularities,” was issued (Weirich 1989, 52). Due to the topic of the statement, it “may prove to be one of the most significant audit pronouncements” (Levy 1989, 52). This SAS expands the auditor’s responsibility in all audits to assess the risk that errors or irregularities will cause material misstatements in financial statements (Weirich 1989, 52).

An error is considered to be an unintentional mistake; whereas, an irregularity is defined as an intentional act of fraud (Levy 1989, 52). Paragraph 3 of SAS 53 contains a specific list of acts that are considered to be irregularities. Paragraph 8 of SAS 53 discusses the auditor’s main responsibilities concerning the detection of fraud. The paragraph states “the auditor should exercise (a) due care in planning, performing, and evaluating the results of audit procedures, and (b) the proper degree of professional skepticism to achieve reasonable assurance” (Levy 1989, 52).

SAS 54 “Illegal Acts by Clients”

In addition to SAS 53, SAS 54, “Illegal Acts by Clients,” which deals with the detection of potential illegal activities of audit clients, was implemented. This standard offers guidelines concerning the responsibility of auditors in detecting illegal acts which are defined as “violations of laws or governmental regulations other than irregularities” (Weirich 1989, 52). SAS 53 and SAS 54 deal specifically with congressional concerns about the detection of financial fraud and potential illegal activities of audit clients (Madison 1990, 41). All irregularities and illegal acts noted by an auditor during an engagement should be reported to the audit committee (Herdman 1988, 10). These two
Standards were designed to narrow the gap between a client’s expectations regarding the auditor’s responsibility to detect fraud and illegal activities during an audit and the actual responsibility of an auditor (Levy 1989, 52). However, this goal may be easier to understand than to implement.

COMMUNICATION

Engagement Letter

Poor communication is one of the main contributing factors to the expectations gap. An engagement letter should be prepared to confirm the responsibilities of the auditor. In the letter, auditors should clearly state that the audit is not a guarantee as to the accuracy of the financial statements. These statements should be “tailored to the manner in which a particular practice is conducted and to the particular problems presented by the nature of the particular client” (Causey 1990, 56). “Standardized” audit letters result in misunderstandings which increase the problem concerning the gap. Misunderstandings will cause confusion concerning the auditor’s responsibilities.

Audit Report

One aspect of the expectations gap involves differences in the ways auditors and financial statement users interpret the actual written audit report (Gaffney 1989, 17). The purpose of the report is to inform users of the “scope” of the auditor’s examination of the financial statements. The report also presents the auditor’s conclusions about whether the financial statements are in accordance with GAAP (Gaffney 1989, 17). This report is the primary means through which auditors communicate to the financial community (Lehman 1990, 17).

Report Unsatisfactory

Many individuals feel that over the years, the auditor’s report has become unsatisfactory in communicating the auditor’s work to the public (Smith 1988, 45). The report used standardized language that was misinterpreted by users (Miller 1990, 68). Even though there were concerns that the users might not be correctly interpreting the auditor’s intended message, the report remained virtually unchanged from 1948 to 1988 (Miller 1990, 68). In 1978, the Commission on Auditors’ Responsibilities, informally referred to as the Cohen Commission, identified several deficiencies in the traditional report. During this time, many individuals believed that these misconceptions would be reduced by properly altering the report.

SAS 58 “Reports on Financial Statements”

Due to the deficiencies in the audit report, SAS 58, “Reports on Financial Statements,” was implemented. This new standard was part of a major undertaking by the ASB to minimize the expectations gap (Fitzsimons 1989, 43). SAS 58 required several major changes to the audit report. The changes were intended to communicate more explicitly the responsibility that the auditor assumes, the procedures that the auditor performs, and the assurance provided by the auditor (Weirich 1989, 54). “Of all the new standards, the ‘Reports on Audited Financial Statements’ standard will be the most visible because it substantially revises the auditor’s most basic form of communication—the auditor’s standard report” (Herdman 1988, 11). Many of the changes that were suggested by the Cohen Commission were incorporated in the provisions of SAS 58 (Miller 1990, 68).

SAS 62 “Special Reports”

The Auditing Standards Board also issued SAS 62, “Special Reports,” which superseded SAS 14. The new statement described the auditor’s responsibilities concerning the issuance of special reports. The SAS required that special reports follow the same form and content of the auditor’s report described in SAS 58. The two standards are very important in the effort to narrow the expectations gap.

SAS 61 “Communication With Audit Committees”

SAS 61, “Communication with Audit Committees,” also addressed communication requirements. This standard imposed additional communication requirements regarding the scope and results of the audit. This communication helps assist the audit committee in overseeing the financial reporting and disclosure process for which management is responsible (Weirich 1989, 57).

Going Concern

Users of financial statements “were too often surprised when a company failed shortly after the auditors had issued an unqualified opinion on their financial statements” (Robison 1989, 51). In 1978, the Cohen Commission contended that analyzing a company’s future was not the auditor’s responsibility. The Commission stated that “going concern opinions” are misunderstood. Due to the potential for confusion and false expectations, the Commission recommended elimination of the going concern qualification (Pringle 1990, 68). Over 80 percent of the respondents to the survey felt that the audit report should not comment on the viability of an entity’s continued existence (McGee 1987, 95). An audit is not intended to predict a company’s future success or failure; however, this has become irrelevant because the public expects such results from an audit (Krasnow 1987, 71). Therefore, a gap exists “between what the profession sees itself providing to the public and what the public perceives itself receiving when a clean audit opinion is given” (Krasnow 1987, 71).

SAS 59 “Auditor’s Consideration of an Entity’s Ability to Continue as a Going Concern”

The auditor’s responsibility has changed with respect to the consideration of an entity’s going concern status (Robison 1989, 51). In response to the pressure on the accounting profession, the Accounting Standards Board (ASB) issued SAS 59, “The Auditor’s Consideration of an Entity’s Ability to Continue as a Going Concern” (Weirich 1989, 54). This standard was to yield more effective audits by requiring the auditor to evaluate the going concern status in all audits (Robison 1989, 51).
SAS 59 Superseded SAS 34

SAS 59 superseded SAS 34, "The Auditor's Considerations When a Question Arises About an Entity's Continued Existence." Under SAS 34, "an auditor had the responsibility to evaluate continued existence only to the extent that audit procedures actually uncovered information contrary to the assumption of continued existence" (Robison 1989, 51). However, under SAS 59, the going concern status is required to be addressed on each audit. The guidance provided by SAS 59 states that if an auditor has substantial doubt concerning a company's ability to function as a going concern, the auditor should include an explanatory paragraph in the audit report to reflect the conclusion.

Other Standards

SAS 56 “Analytical Procedures”

As part of the ASB's effort to reduce the expectations gap, it issued two other SASs. SAS 56, "Analytical Procedures," mandated that auditors use analytical procedures in planning and in the overall review at the conclusion of the audit (Weirich 1989, 57). These procedures can help identify potential misstatements effectively by alerting the auditor of potential problems requiring additional investigation.

SAS 57 “Auditing Accounting Estimates”

SAS 57, "Auditing Accounting Estimates," was issued as a response to the significant number of business failures that resulted because of inappropriate accounting judgments and estimates (Weirich 1989, 57). This statement provides guidance to the auditor in obtaining sufficient competent evidential matter to support accounting estimates.

Standards Overload

The expectations gap is a serious problem that the profession has attempted to reduce by the issuance of nine standards. Even though these standards seem to be justified, there is a predominant belief by critics that the accounting profession has issued too many standards (Miller 1988, 140). These critics state that these standards are primarily focused on "SEC problems to the detriment of the needs of nonregistrants" (Miller 1988, 140). This argument is referred to as "standard overload." Supporters of this argument point out the extensive number of standards issued in the late 1970s and early 1980s (Miller 1988, 140). When studying the idea of whether a "standards overload" has been reached, there is no simple answer. "At a relatively high philosophical level, there is no problem accepting the idea that an overload condition can be created" (Miller 1988, 142). With the addition of new standards, competition for clients becomes more difficult for smaller accounting firms. Many of these firms are "pushed" out of the auditing industry. However, the profession should address the issue as to whether the effects of the "overload" have been felt by enough accountants to justify a reduction in the level of standards issued. When evaluating the concept of having too many standards, "some insight may be gained in looking at other fields" (Miller 1988, 142). Doctors do not complain if new drugs are produced; instead, the doctors want all the available drugs that will help restore their patients' health.

Performance Gap?

Even though there is substantial evidence that proves an "expectations gap" exists, Mr. Chenok feels that a large portion might "more truthfully be called a 'performance gap, or a gap between the performance of some CPAs and what the standards require" (Barrett 1990, 75). The number of standards issued cannot reduce this type of gap. Accountants will have to become better familiar with the contents and requirements of the standards. Accountants feel that surgeons are not required to perform only successful surgery; therefore, why should accountants be expected to perform only successful audits?

In all professions, there exists a degree of human error. Auditors should work hard to minimize this level. There will probably always be an expectations gap due to differences in the perceptions of auditors and financial statement users concerning the auditor's role and responsibility. The goal of the accounting profession should be to reduce this gap. Therefore, "further research into this issue seems essential" (Rimmerman 1990, 83).

WORKS CITED


ACCOUNTING FOR EMPLOYEES’ POSTRETIREMENT BENEFITS

Harold Phipps

The Financial Accounting Standards Board recently issued Statement of Financial Accounting Standards No. 106, Employers' Accounting for Postretirement Benefits Other than Pensions, which requires that the cost of postretirement benefits be accrued while employees are working. The pronouncement covers accounting for the cost of retirees' healthcare, long-term care, tuition assistance, legal advisory services, and housing subsidies (Journal of Accountancy, February 1991). A great deal of opposition has been raised to this statement since previously most companies had recorded this expense at the time of payment.

The purpose of this paper is to describe the requirements of the new pronouncement. The major effects of the rule on financial reporting, and reactions to the statement will also be discussed. Finally, options available to businesses to deal with the pronouncement will be briefly considered.

Requirements of the Standard

The new rule requires companies to recognize postretirement benefits other than pensions (OPEB) on the accrual basis of accounting rather than under the current "pay-as-you-go" or cash basis. The FASB believes that postretirement benefits are forms of deferred compensation and, therefore, should be recognized during an employee's employment period. The pronouncement also requires companies to determine their expected postretirement benefit obligation and record a minimum liability for the estimated cost of providing current and future retirees with these benefits. The amount of the expected postretirement benefit obligation is "the actuarial present value of the postretirement benefit expected to be paid to or for the employee and the employee's dependents" (Mackie and Oss 1989). Several assumptions must be used in measuring the obligation.

The first assumptions involve the amount and timing of the future benefit payments. These assumptions include: (1) the per capita claims cost by age, (2) health care cost trend rates, and (3) Medicare reimbursement rates. The per capita claims cost by age is "the amount of money needed to pay for postretirement health benefits for each year of life expectancy that employees and their dependents are expected to receive benefits" (Mackie and Oss 1989). Health care cost trend rates are used to project the amount of the future benefits. This rate, which will be unique to each firm, is based upon expectations of inflation in the cost of medical services, changes in medical technology, the mix of services a company provides, and utilization of the services by employees. The effect of a one percent change in the health care trend rate on the OPEB obligation must be disclosed in a note to the financial statements in the year the rate changes. The Medicare reimbursement rate, which is the share of medical costs paid by Medicare, is based upon what Medicare is currently paying.

The probability of payment of benefits must also be considered in measuring the obligation. The probability of payment is based on turnover rate, retirement age, dependency status, and mortality.

In determining the amount of pay-related postretirement benefits, salary progression must be considered. Finally, a discount rate must be determined to discount the obligation to its present value. The interest rate used must be either the rate on an instrument that could be purchased to settle the obligation or the current rate of return on high-quality fixed-income investments (Mackie and Oss 1989).

The annual cost of providing postretirement benefits will be comprised of four elements. The first component is the current year's service cost, which is the cost of the plan allocated to the current year based upon an actuarial allocation method. The period to which the OPEB liability is attributed under the rule begins at the date of hire and ends at the date an employee becomes eligible to retire. The attribution period is the most criticized aspect of the new standard. Eighty percent of the comment letters received in response to the exposure draft advocated extending the attribution period to the date of retirement. However, the approach required by the FASB is consistent with pension accounting since the FASB considers the date of eligibility for OPEB similar to the vesting date for pensions (Martens and Stevens 1990). The second component of the annual OPEB expense is interest expense on the accumulated postretirement benefit obligation (APBO). Amortization of the transition obligation is the third component of the annual plan cost. The transition obligation is the unfunded accumulated obligation at the beginning of the year the statement becomes effective. The transition obligation must be amortized over the average remaining service period of employees covered by the plan. If the average remaining service period is less than fifteen years, the transition obligation may be amortized over fifteen years (Martens and Stevens 1990). The final component of the annual cost is the return on assets set aside to provide postretirement benefits. This amount reduces the annual postretirement benefits cost (Management Accounting, April 1991).

Effects on Financial Reporting

A Coopers & Lybrand Executive Summary issued after the release of the exposure draft on accounting for postretirement benefits analyzes the effects of Statement 106 on financial reporting (Management Accounting, April 1989). The statement's most significant impact will be a larger expense reported for OPEB. A decrease in reported net income and an increase in reported liabilities will also result from the statement.

OPEB expense under accrual accounting will be higher than under cash accounting since the annual expense will include the cost of providing postretirement benefits to current employees, as well as to retirees. The annual expense will also be increased because of the interest expense and transition obliga-
tion amortization which must be included in the annual cost. The Executive Summary estimates that the expense will be three to six times higher for companies with a large number of retirees. The cost for companies with only a few retirees will be many times higher since the current expense under the cash basis of accounting is very low.

Net income will also be lower for two reasons. First, only the actual cash payments for OPEB are deductible for income tax purposes. Also, even though a deferred tax benefit can be recognized for the excess of the recorded expense over the cash paid, the amount that can be recognized is limited to the amount of any existing deferred tax liabilities. As a result, a large portion of the expense could directly reduce net income.

The last major consequence of the statement affects the balance sheet. The new pronouncement requires that a liability, which could be extremely large, be recorded for OPEB. The reported liability can be reduced by pre-funding the obligation; however, because of the current tax rules, companies have little incentive to pre-fund their OPEB plans.

Reactions to the Rule

The FASB received 467 comment letters concerning the exposure draft of Statement 106. The contents of these letters were summarized in a special report in the June 1990 issue of the Journal of Accountancy.

Although many of the letters expressed various criticisms regarding the proposed standard, 60 percent of the letters acknowledged that there is a liability for OPEB which should be disclosed in the balance sheet. The 15 percent of the letters maintaining that a liability for OPEB does not exist provided two primary reasons: the employer has the ability to cancel the obligation, and the obligation for OPEB cannot be measured. In response to the first argument, the courts have upheld that employers must provide postretirement benefits that have been promised to employees. Secondly, although the OPEB liability is difficult to measure and many estimations must be used, the FASB has provided guidelines for measuring the obligation. Also, estimations are an essential part of the accounting process in order to provide information that is relevant. Because many estimations are required in computing the amount of the OPEB liability, the FASB has required that the effect of a one percent change in the health care trend rate on the accumulated postretirement benefit obligation be disclosed (Thomas and Farmer 1990).

The major criticism of the exposure draft was the attribution period recommended by the FASB. The board advocates attributing the liability to the period beginning at the date of hire and ending at the date of eligibility for retirement. Only eight of the comment letters received agreed with the FASB's proposed attribution period. Almost all of the letters recommended extending the attribution period to the date of retirement since the deferred compensation is earned during an employee's entire employment period. The FASB's argument for ending the attribution period at the date of hire is that this approach is consistent with pension accounting since the eligibility date is similar to the vesting date for pensions.

Another major area of disagreement was the method of development of the healthcare trend rate, which is used to project the amount of future benefits. Only five percent of the letters received agreed with the FASB's approach to calculate the rate. In computing this rate, the FASB does not allow a company to consider factors that may reduce future healthcare costs, such as an increase in Medicare. Respondents argued that the disregard for the effects of likely future actions to reduce healthcare costs makes the FASB's approach unrealistic.

The discount rate to be used is either the current rate of return on high-quality fixed-income investments or the rate on an instrument that could be purchased to settle the liability for OPEB. The major arguments against the FASB's rate were that the money used to cover the OPEB liability is generated internally and that no financial instrument designed to cover the obligation for OPEB exists. Only six percent of the comment letters agreed with the FASB's proposed discount rate with the majority of the respondents advocating using the company's cost of capital to discount the obligation.

Only two percent of the comment letters received agreed with the FASB's amortization period for the transition obligation. Most of the letters advocated amortizing the transition obligation over a longer period. In addition, many of the respondents felt the FASB should allow the transition obligation to be accounted for as a change in accounting principle or a prior period adjustment.

The AICPA Accounting Standards Executive Committee (AcSEC) and the Financial Executives Institute (FEI) also made recommendations for changing the pronouncement. The AcSEC agreed with the FASB that OPEB is a liability, but its members thought the proposed statement could be simplified in the following ways. First, changes in healthcare usage and delivery patterns and technological advances should be excluded from consideration in determining the healthcare trend rate. Also, the AcSEC felt the attribution period should be extended to the retirement date, and lastly, the recognition of the liability in the balance sheet should not be required, or only the liability to retirees should be disclosed.

The Financial Executives Institute agreed with the FASB that the accrual basis of accounting should be used for measuring OPEB expense. The FEI also agreed that postretirement benefits result in an obligation to sacrifice assets in the future, but the members of the FEI felt that OPEB did not create a liability because: (1) payment of the benefits was dependent upon actual retirement, (2) OPEB plans can be modified by an employer, and (3) postretirement benefits don't meet the definition of a liability contained in Concepts Statement No. 6. As a result, the FEI recommended using the word "obligation" instead of "liability." Like the AcSEC, the FEI advocated extending the attribution period to the date of retirement. The FEI also recommended allowing immediate recognition of the transition obligation or amortizing the OPEB obligation over a period of at least 20 years. Finally, the FEI encouraged the use of the general inflation rate instead of the healthcare trend rate for projecting the amount of future benefits.

Options Available to Businesses

Statement No. 106 will become effective for U.S. public plans in 1993. The pronouncement will become effective two years later, in 1995, for non-U.S. public plans and small non-
public plans (Journal of Accountancy, February 1991). In the meantime, companies need to decide how they will respond to the statement. The first thing companies should do is determine the amount of their liability for postretirement benefits under the new rule. Three broad options are then available.

First, companies can continue the plan as before without making any modifications. The second option available is to freeze the current plan and make no improvements in the future. Finally, companies can redesign their postretirement benefits plan to lower the liability (Mackie and Oss 1989).

If a company decides to redesign its benefits plan, various alternatives are available. For example, companies can institute tougher eligibility requirements for admission to the plan, initiate a cost sharing plan or increase the share of the cost of benefits currently borne by employees, or reduce the amount of benefits provided. These examples are only three of a myriad of alternatives available to a company for reducing its liability for postretirement benefits (Mackie and Oss 1989).

Conclusion

Agreement exists that a company has a liability for postretirement benefits and that postretirement benefits should be accounted for on the accrual basis of accounting. However, beyond these opinions, little agreement exists. After eleven years of work, the FASB has issued Statement of Financial Accounting Standards No. 106, which requires employers to account for postretirement benefits other than pensions on the accrual basis and to recognize a liability for the amount of future postretirement benefits.

This paper has attempted to describe the requirements of the pronouncement and its major effects on financial reporting. Reactions to the statement and options available to businesses to deal with the pronouncement have also been discussed.

Although many criticisms have been levied against the statement, the accrual basis of accounting for postretirement benefits was long overdue.

BIBLIOGRAPHY