



Robin Johnstone

Armhand: No beachhead

Complex that could employ local citizens and harry for the county treasury. Hospitality has given way to outright harassment because the project is sponsored by none of the Nation of Islam, better known as Muslims.

Islamist Muslims, whose conservatism is as fervent as any segregationist's, the Pell City of a growing chain of ultra-factory operations (others in Florida, Texas and South Carolina) which supply Muslim food stores in many of the states. Always more interested in protest, the Chicago-based by 72-year-old Elijah Muhammad are now building a widely increasing self-sufficient holdings already valued at \$10 million.

White majority in St. Clair County, sees the 900-acre project as a beachhead in the battle to keep the white majority in the county. "They're after the Southern states of ours," says Minister James H. Bishop. "I'm willing to lay my life down if necessary," he told a meeting of 2,200 grim

faces, two local white men and two Muslims swing their big land. The men, Ford dealer Ray Turner and dentist Robert McClung, are members of the local John Birch Society, which is strictly financial. Turner made a hefty profit on the original part of Wyatt's own Big Beaver Ranch to Progressive Land Development. Turner promised a continuation of the farm-factory. They knew that Walter Perot for PLD, was a black man who didn't learn until much later that Turner was an officer for the Muslim hijack and that PLD was the development corporation.

December 8, 1969

Wyatt confided the secret only to his brother, Wallace, 45. But Wallace couldn't keep the matter to himself ("I just had to protect the honor of my family . . . and the honor of this state and nation," he says) and spread the news at a church service.

Since the revelation, six cows on the Big Beaver Ranch have been shot and one of its six Negro farmhands has been arrested twice—once for not registering himself as a Muslim (he says he isn't one) and again for "trespassing" on the ranch (authorities say it does not legally belong to the Muslims). Sales at Ray Wyatt's Ford agency—which used to sell 75 cars a month—have all but stopped, and twelve cars on his lot have been splashed with acid. Drummed out as head of the Birch Society, McClung has lost most of his dental practice and may lose his license as well. He was arrested on charges of acting as an agent for PLD, which is not licensed to do business in Alabama ("Boy, come with me," said the sheriff), and his wife has threatened to leave him. Both men's families have been plagued by threatening and obscene phone calls. "For the first time in my life, I know what it feels like to be black," says McClung, who has pulled out of the deal. Rallying St. Clair County against the Muslims are Wallace Wyatt, the Rev. Mr. Bishop and another Pell City preacher, the Rev. E.O. Mayo, who formed a group called R.I.D. (Restore Integrity to Development). The Muslims, warns Mayo, must be prevented from using the land to train troops for "the battle of Armageddon."

Determined to stay, the Muslims have countered with firm talk of their own. "We have not broken any laws," says spokesman Turner. "If they attempt any violence against us, we will send in 1,000 Black Muslims." But the blacks would rather use friendly persuasion. "All we want to do is show people we can raise crops instead of raising hell on Saturday night," says Turner, who attempted to recruit local whites for a tour of a Muslim pilot farm project now prospering amicably in Sasser, Ga. Only a handful took up the offer, however.

Despite the ugly atmosphere and the threat of violence, Ray Wyatt, for one, professes optimism. "The more I find out about the Muslims, the better I like them," he says. "They have morals the Baptists should practice. When the people here see what's going on and that local people are being hired and that this is not the new capital of the Muslims, they will understand."

PUBLIC OPINION:

Money Talks

Suddenly, it seemed, the "silent majority" had found a voice. In full-page advertisements that blossomed in 110 of the nation's largest newspapers and in half-hour television "specials" broadcast over a one-shot network of local stations,

Americans were encouraged to "Act Now—Demonstrate Your Support" for President Nixon's policy for peace in Vietnam.

Sponsoring the million-dollar campaign was something called "United We Stand," and those who called their local papers and television stations to get more information discovered that it was the brainchild of a billionaire from—you guessed it—Dallas, Texas. For some, that was cause enough to write off "United We Stand" as a manifestation of fat-cat Texas conservatism. But the truth was far less pat and far more provocative. The billionaire behind the campaign is no Daddy Warbucks but a young (39), computer-age business whiz named H. (for Henry) Ross Perot, who splits his politics down the middle and practices an undeniably progressive form of philanthropy. What's more, inspiration for "United We Stand" seems to trace more directly to a chat with the LBJ Ranch boss than to initiatives from the White House.

Views: Perot, a crew-cut Annapolis graduate (Class of '53), was one of several businessmen who met Lyndon Johnson about a month ago. Afterward, he decided that "every President has come to the conclusion that we must stabilize in Asia. I must assume that if I knew what they knew, I would have acted the same." Feeling that dissenting views had been covered "so effectively" and President Nixon's "so ineffectively," he decided to balance things a little better. "This was not a campaign to support Mr. Nixon himself," said Perot last week. "It was to support the office he holds . . . If Humphrey were President today, I'd be standing behind him."

Money, of course, was no object. And when the Madison Avenue agencies said it would take months to mount the drive



Joe Laird—Dallas News

Patriot Perot: No Daddy Warbucks

NEWSWEEK 8 December 1969

WASHINGTON

ON STRATEGY

KATHLEEN CRAWFORD



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than Phillips's, or, for that matter, Mitchell's. His most immediate concern is Vietnam. He needs enough popular support to stand off the get-out-yesterday forces, which are bunched in Eastern urban and Northern campus areas. Also, he wants to cut George Wallace off at the pass before the next national elections. These are objectives short of establishing a permanent GOP majority.

LABOR AND NEGROES

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The Senate roll call on the Haynsworth nomination recorded seventeen Republicans against. Ignoring pleas to stand by the President as a matter of party loyalty, these seventeen, among them three of the party's Senate hierarchs, bowed to other pressures, external or internal. Most of them chose not to incur the displeasure of the AFL-CIO and the NAACP, which lobbied against Haynsworth. A few resisted the Administration's arm-twisting enough to strike back.

Emerging Re-
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But on the Haynsworth question, as on most questions, a majority of senators on both sides voted in what they conceived to be their political self-interest. A senator who behaves like a prima donna scorned is not long for the Senate. So seventeen out of 43 Senatorial Republicans in effect advised against the Southern strategy while advising against Haynsworth's appointment. They also reminded the President that organized labor and the Negro minority still possess formidable political power.

YOUTH

Sen. Marlow W. Cook of Kentucky, one of the Republicans who voted for Haynsworth, repudiated the Southern strategy even more sharply than his colleagues who voted the other way. In a speech delivered after the Senate had spoken he said: "... we must not, for the sake of purely partisan advantage, pursue policies that will systematically exclude our young, isolate our blacks and ignore the cancerous decay of our urban centers. A party morally fit to govern a great nation must be responsive to the needs of its citizens regardless of geographical location."

None of this will be lost on Richard M. Nixon, the Republicans' master political strategist. It will be surprising if, even before next year's Congressional elections, the Southern strategy hasn't receded into the shadows and some of its sponsors, including Mitchell, along with it.

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he wanted, Perot handed the assignment to his own young executives, who got the job done in little more than two weeks. "In our own naïve way," says Perot, "we figured that if you have \$250,000, you ought to be able to communicate what you want to the American people." Costs actually reached about \$1 million, but now Perot says that responses total 3 million. "By next March," he adds, "we will have the largest organization in the United States" with 15 million "members."

What does Perot want out of all this? Not political power or elective office, he insists. "I'd be terrible in public office," he says. "I'm too action-oriented, which means if I had an idea on Friday and wanted it done by Monday it would be just too much to expect from the government." There's no denying his history as a go-getter. While a salesman for IBM he made so much in commissions that the giant corporation instituted a ceiling on them—which Perot reached before the first month was out. That gave him enough time to create Electronic Data Systems Corp., which now designs, installs and operates data-processing systems (and sells over-the-counter for \$138 a share). From an initial investment of \$1,000 Perot is now one of the world's richest men with an estimated \$1,287,126,000 in his own stock alone.

"I know what the stereotype is," he admits. "If you're rich and from Dallas, everybody expects you to be far right. But look at what I've done, and it isn't so."

Modesty: The record bears him out. Perot gave \$2.5 million to an experimental public school for disadvantaged Dallas children, largely Negroes and Mexican-Americans; he donated another \$1 million to promote Boy Scout activity in the ghetto, and he footed the bill for a state program to combat the narcotics problem among Texas youths. Perot himself lives in upper-middle-class modesty in a \$50,000 house on a quarter-acre lot in a neighborhood that is far from the flashiest in Dallas. He drives a 1965 Lincoln Continental and keeps a 1959 Ford station wagon in the driveway.

"It dawned on me a few years ago that I was going to make a great deal of money, and I began to think how to use it," says the son of a Texarkana cotton broker. Instead of leaving it to his four children ("I won't deny them the same chances I had") he plans to spend it on trying to solve the nation's problems. "I feel I have an obligation to the American people," he says. Perot is convinced that the U.S. has enough money to solve its problems if the American people have the will to do so. And to clarify just what the will of the people is, he plans to create a kind of "electronic town hall" that will present television discussions of major issues (such as crime, air and water pollution, race, narcotics), then solicit viewer responses and analyze them by computer. "Our hope," he says, "isn't to get everyone to stand in one place ... but we can provide an outlet to start getting them involved."

H. Ross Perot Pays His Dues

By FRED POWLEDGE

H ROSS PEROT is a Texas millionaire (before the stock market got sick he was a Texas billionaire) who talks about patriotism and saving America and who, a year ago, tried to deliver 26 tons of Christmas packages to American prisoners of war in North Vietnam.

That's one way, maybe the prevailing way, of looking at it. There are lots of conclusions ready to be jumped to—for example, just another Texas millionaire, undoubtedly stri-

FRED POWLEDGE is the author of the recently published "Model City," a study of redevelopment in New Haven.

dently right-wing, probably oppressively superpatriotic, more than likely the kind of man who gobbles up television stations and newspapers and publishes his own "newsletter" to force-feed his ideas to the rest of the nation. Unfortunately for the stereotypists, however, H. Ross Perot is none of that.

He is a surprisingly modest man who neither wears cowboy boots nor flies his own airplane; who dials his own telephone calls; who wears a G.I. haircut and jokes about it (it is an "extremist" fashion, he says, and for that reason he cannot worry about people with longer hair); who has never met H. L. Hunt, and whose only

(Continued on following page)

This Texan converted a bright idea into a bill—uh, 700 million dollars before he was 40. Now he wants to spend it "intelligently."



involvement with the petroleum business is putting oil into the crankcase of his 5-year-old car.

He has given millions to aid the underprivileged in Dallas, a town well known for the uninvolvement of its business leaders in the real plight of the common folk. He is a former computer salesman who has, in less than eight years, built a new company in a new industry—the computer service field—from a \$1,000 personal investment into a \$48-million-a-year pot of gold that has doubled in size and revenue annually. And, perhaps most amazingly, he has built that company on a philosophy that is almost unique—that ranks honesty and quality above profits,

that insures room at the top for talented young people and strictly out-laws company politics.

Perot is also the man who somehow thinks that if enough American citizens can get themselves involved, they can bring home the 1,600 U.S. prisoners of war and men declared missing in action in Vietnam. And, not knowing that this last undertaking is impossible, he is having some success at it.

Ross Perot (the "H."—it stands for Henry—was never used until Perot—pronounced Puh-ROW—found that others wanted him to have something at the head of his name when he became important) is, in terms of the stereotypical successful Texas businessman, something of a paradox. When one considers his involvement in the prisoner-of-war effort, he appears to be more of a paradox. But even a brief examination of his background will show that he is neither fooling nor eccentric.

HE was born 40 years ago in Texarkana, in East Texas. His father was a cotton broker whose sideline was trading in horses and cattle. Partly because the elder Perot's work

was seasonal, he was able to spend a lot of time with young Ross, who remembers: "He worked hard from September through November, and he and I played the rest of the year. He was my best friend, and I was his."

Perot's father was also his best tutor in the arts of business: "I spent my entire boyhood involved in the very basics of what business is. My father dealt with the farmer who raised the cotton. He taught me as a small boy that buying cotton from a man *once* had very little value unless you developed a personal relationship with him, unless you treated him fairly, unless he trusted you. Otherwise, he won't come back to you next year."

Perot used his business sense in a series of small-boy enterprises—selling Christmas cards and magazine subscriptions door to door, delivering *The Texarkana Gazette* by horseback on a route that included a good number of low-income black subscribers. The paper had never bothered to establish the route until Perot suggested it, and the youngster soon learned what every newsboy knows: it is the well-to-do, the doctors and executives, on a news-

paper route who are the terrible deadheads when it comes to paying a bill; the poor folk are far more conscientious.

"I found out that by giving these people good service," he recalls, "they paid promptly. I'd put the paper behind their door. That was kind of an interesting thing, for them to have a white boy on a horse, whether it was raining or not, bringing the paper to them and giving them the same service the white people got. I had customer loyalty I'll never have again."

Perot wanted to be a sailor, and he got his first glimpse of the ocean when he entered the U.S. Naval Academy in 1949. It was in the Navy, as fire-control officer on an aircraft carrier, that he first got involved in what computer people call "information systems"—the devices, rather crude by today's standards, that took information from the ship's radar and used it to aim the guns. And it was on the carrier that Perot met a visiting V.I.P., an executive from International Business Machines Corporation, who was impressed with the sailor and said

(Continued on following page)



Multimillionaire With a Mission. Perot has made three headlined journeys in the interest of P.O.W.'s and peace. At left, he and the wives of five Americans thought to be prisoners in North Vietnam stage a vigil outside Hanoi's embassy in Vientiane, Laos, in April, 1970. Above, he sleeps on a chartered plane during the 1969 trip on which he tried—without success—to deliver 26 tons of Christmas gifts to prisoners. He says his trips have alerted Americans to the plight of the P.O.W.'s and in addition have forced the North Vietnamese into "a position where they had to talk."

He pays his dues

(Continued from previous page)
what V.I.P.'s say on such occasions: "Look me up when you get out."

Perot did just that. He became a computer salesman for I.B.M. in Dallas, and was so good at it that in his fifth year there he managed to sell his annual quota three weeks after the new year started. The prize for this feat was the right to sit around in an office staring at the THINK signs—a devastating reward for a man whose preoccupation was turning his thoughts as quickly as possible into action. While sitting around the office, Perot happened across the famous quotation from Thoreau's "Walden": "The mass of men lead lives of quiet desperation." If there was one thing Perot was not willing to accept, it was such a life. He seemed headed for it, so he resigned from I.B.M.

"I got out of the Navy for the same reason," he recalled years later. "I loved the Navy, loved the sea, loved ships. But I always find that whatever I'm doing, I'm thoroughly involved in it. In the Navy, the promotion system and the seniority system and the waiting-in-line concept were just sort of incompatible with my desire to be measured and judged by what I could produce."

ON his 32d birthday, June 27, 1962, Perot founded Electronic Data Systems, Inc. It was relatively easy. Texas law required an initial investment of \$1,000 and the naming of three charter directors. Perot wrote a personal check for the thousand (the canceled check is now framed in his office) and went looking for directors. "The only people in 1962 who had enough confidence to serve on my board," he says, "were my wife, my mother and my sister."

After the formalities were out of the way, Perot took his wife to Hawaii on a vacation (he sensed that it might be their last for some time) and started thinking about the sort of company he wanted to build. He knew that computers were hot; he had been selling them for the giant of the industry. He also knew that many businesses had the feeling that they needed computers, if only because everybody else had them, but that many didn't know what to do with the hardware once they had it.

There was a need for an electronic-data-service company that would design, install

and operate information systems for large businesses. An information system, for a computer man, means just about everything that flows through a corporate mind and body. A public utility, for example, would use computers not only to produce its monthly bills, but also to forecast a variety of matters—what the industry is going to need in the way of personnel, its own payroll, what demand will be five years in the future. E.D.S. would contract with a business to handle the entire computer end, sending its employees to work on the client's premises to run the computers and train the client's employees in the methods of electronic data processing.

It was in Hawaii that he wrote, in longhand and on yellow paper, his ideas of what the company should and should not be. There was a lot of Texarkana and the U. S. Navy in the result.

First, he said, E.D.S. should be "the most respected e.d.p. service firm in the United States." Second, it would also become the largest, "provided that size does not adversely affect the quality of the work being done." Third, he would try to build the company without borrowing money or selling stock to outside investors; too many new concerns had been permanently weakened that way. Fourth, he would see to it that E.D.S. belonged to the people who built it; if a man or woman contributed to the growth of the company, he or she would be rewarded with a portion of its profits and promotion to the higher executive levels. (There are several men there now who have become millionaires.)

Further down the list, there was a rule about maintaining a "climate of complete intolerance toward company politics." (Perot had seen business operations, he said, in which the serious game of office politics was played full-time and with a vengeance. Invariably, he found, it sapped the strength of the company and wasted its corporate creativity.)

There was also a rule about efforts to keep E.D.S. from becoming a dull-gray business. As Perot later put it: "When you consider the impact that his work has on him and his family, the company has a moral obligation to be an exciting place for an employee."

Having written his philosophy, Perot set about putting the company together. He

started by buying computer time wholesale and selling it retail, like cotton in Texarkana; this provided the money he needed to hire employees. The rule about not borrowing money or seeking outside investors was an easy one to obey; nobody had enough faith in the enterprise, what with its somewhat radical philosophy, to shower dollar bills on it.

"That's the story of my net worth," Perot said not long ago. "The idea was considered so bad, or so naive, that nobody would invest in it and I was stuck with it. People felt that if you dealt with people like I wanted to deal with people, you'd go broke."

One of the things Perot was stuck with was about 80 per cent of the stock, and when shares were first offered to the public in 1968 he found that he was suddenly worth about \$300-million.

Perot's naive ideas about the need for a computer service company were apparently right on the button. After landing his initial client, Collins Radio, the former computer salesman brought in more and more big contracts; E.D.S.'s earnings grew, Wall Street started noticing its activities and soon the financial columns were referring to Texas Billionaire H. Ross Perot (it had become part of his name, like Strongman Joseph Mobutu or Tiny Oil-Rich Kuwait). He reverted to Texas Multimillionaire H. Ross Perot one day last April when, during one of the market's seizures, his stock fell \$445-million. But even now, although Perot says he neither knows nor really cares exactly how much he's worth, his holdings are estimated at \$700-million to \$800-million.

E. D. S., meantime, just kept on growing. It now has 2,500 employees and offices in major cities all over the country. Its growth, Perot maintains, is based firmly on the philosophy he set down in Hawaii, plus the fact that he has surrounded himself with bright young men — their median age is something like 32 — who do not write a lot of memos, do not ask a lot of consultants for their advice and are, in his words, "action-oriented" like himself.

"For about five years people were convinced that we had some secret. They thought we had all this programed on a computer in some way. They said it again after I got involved in the prisoner-of-war issue. They said I had sat down in the computer room for several weeks and programed it all out — sort of war-gamed the whole thing."

"We don't do that, and I laugh at people who do. It's

easier to sit down and figure out what your strategies are, and what are your alternatives, then you start trying things."

THAT figuring out of strategies and alternatives, then trying things, is at the heart of Perot's campaign to bring the prisoners home.

The best place to talk to him about prisoners these days is on an airplane. He flies about the same way some people chew gum, criss-crossing the country to address and consult with local groups — there are 40 or 50 of them now — mounting their own efforts to bring the prisoners home. A typical local effort consists of, first, the establishment of a coordinating group; then lots of publicity, identifying the local men who are prisoners or missing in action and asking citizens to write letters to North Vietnamese leaders calling for their release; a fund-raising campaign to provide the cash to fly a local delegation to Paris, and possibly other European cities where the North Vietnamese maintain embassies, to call on diplomats and express personally their desire for the return of the prisoners.

The entire idea is based on Perot's conviction that the North Vietnamese do not want the active hatred of the American people; that until now they have failed to understand that the American people really want the prisoners back (in North Vietnam, to be captured in battle is to suffer a great disgrace), and that if the American people continue putting pressure on the North Vietnamese the prisoners will eventually be released.

He talked about this one day recently as he settled down on a two-day trip that would take him from Dallas to Denver to San Francisco and back home. In Denver, Perot would meet with wives of Colorado men missing or held prisoner and he would speak at a luncheon which was part of the organizing drive there; in San Francisco he would visit E. D. S.'s offices and address a seminar. E. D. S. recruiters had arranged for prospective employees.

It was perhaps inevitable, he acknowledged, that a lot of Americans should think of him, if they thought of him as anything but Texas Millionaire H. Ross Perot, as the man who tried to take the Christmas packages to Hanoi. "I'm the funny guy with the funny-colored airplanes," he joked, "a latter-day P. T. Barnum with no elephants." That was, after all, pretty much what a typical newspaper reader or

television watcher might conclude from the coverage of his travels a year ago, trips that took him and prisoners' wives around the world in two of Braniff's brightly colored planes, one red and one green.

What really happened, he said, was this: In the fall of 1969, the wives of four prisoners came to his office in Dallas. They were asking for a donation — money to allow them to fly to Paris to ask the North Vietnamese for information about their husbands.

Perot's charitable impulses were well known in Dallas. Through a foundation that bore his name, he had given \$2.5-million to the Dunbar Elementary School, which has a 99 per cent black enrollment, so that experimental curriculum and enrichment programs might be introduced, tested and possibly modified. He had given \$1-million to the Boy Scouts of Dallas on the condition that scouting be extended into the ghetto areas, and a thousand acres of land to the Girl Scouts for a camp, on the condition that the camp also be used for the benefit of poor children. Perot, who is constantly besieged with requests for money, was especially touched by the wives' appeal. He bought the tickets to Paris. (He does not remember what the bill was — "whatever the air fare to Paris is, times four.")

When the wives returned from Paris, one of them came by to thank Perot for his help. She brought her 4½-year-old son. "This little boy had never seen his dad," said Perot. "He was born after his dad was missing in action. When I was 4½ years old I had been with my dad several hours a day, every day of my life. He was my best friend. We had a particularly close association. So I was particularly sensitive to what that little boy was giving up. And I decided right then."

Perot saw that, first, he had to publicize the issue. He is essentially a private man, one who radiates none of the publicity seeker's usual vibrations, but as a successful businessman he recognizes the importance of getting a message across. He took his problem to an advertising agency, which wanted to spend a very long time perfecting an effective campaign. Perot went back to Dallas and turned his bright, young systems men loose on the idea. In three weeks they had formed an organization, named United We Stand, and had started spending about \$1-million (on 300 newspaper ads, 30 million postcards and a half-hour television show) to publicize the plight of the prisoners and to call for support of the nation's Vietnam policies.

Within a few weeks of the

(Continued on following page)

campaign's start, Perot had collected 26 tons of mail, food, clothing and medicine and had chartered two planes to fly the cargo to Hanoi. They did not get through, nor was Perot successful this Christmas when he attempted to charter Soviet airliners to get similar shipments in. The result was, by one way of reckoning, a failure.

THAT business of supporting the nation's Vietnam policies, Perot acknowledges, is one of his trickiest problems, and it is the one that particularly angers other Americans who are in agony over the war and the prisoners, but who feel that the only way to bring the men home is to end the war. Partly because Perot avoids such labels as "right" and "left," "hawk" and "dove," and partly because he avoids entanglements with recognized right-wing organizations and spokesmen, many of those on the left seem not to have developed particularly hard feelings toward him. He is a phenomenon, they feel; a not necessarily dangerous one.

Perot guards his credibility to the point of not discussing his political inclinations, although he has been a visitor to the White House. He is, he insists, a pragmatist above all, one who wants "to see the war ended at the earliest possible time." As a pragmatist, he feels that unilateral United States withdrawal from Vietnam is "not in the cards." Therefore, he reasons, the best way to end the war is for the American people to clearly indicate that they are united behind their Government.

Some on the left, to be sure, regard Perot and his reasoning as distinct dangers. Mrs. Cora Weiss, a New Yorker whose Committee of Liaison with Families of Servicemen Detained in North Vietnam was involved in last Christmas's flurry over the release of prisoners' names—Perot called it an "old list" that was "strictly propaganda" and "a form of Oriental torture at Christmastime"—feels Perot is a "publicity hound" whose actions are "Government-inspired." "Government-rewarded" and, so far, unsuccessful. Mrs. Weiss, who has been active in liberal and civil-libertarian causes for years, adds: "He's trying to resolve an issue separately from the war when that issue is created because of the war and can only be resolved by the termination of the war. If Perot put his millions behind the campaign to end the war, the men would be home in a minute. And until he does, I have to doubt his sincerity."

Such critics have little difficulty believing that Perot is

somebody's puppet — Mrs. Weiss points out that big data-processing clients are defense contractors — but hours of casual and not so casual conversation with the man are likely to lead one to the conclusion that he is exactly what he seems to be: a smart country boy who learned a lot from a father he loved, who ventured into the business world with a heavy social conscience, who thought up the right idea at the right time and who remains somewhat humbled by the experience. Given the circumstances of Perot's rise and the record of his actions, it is difficult to believe that he is motivated by greed, a taste for publicity, involvement in conspiracy, ambition or any of the other usual vices; it is easy to surmise that his motivation, in business and in the prisoner effort, is nothing more than what most of us would call good intentions.

HIS 5-foot, 6-inch frame almost swallowed up by the first-class seat on the plane to Denver, Perot successfully foiled a stewardess's second attempt to serve him some breakfast champagne (he neither smokes nor drinks nor curses with any conviction) and said: "The purpose of the Christmas trip was not to take packages to prisoners, but to put the North Vietnamese in the position where they had to talk. We wanted to create a pressure-cooker situation where they had to see us. They didn't have to love us, but they had to see us."

After he got involved in the prisoner issue, Perot said, he naturally started thinking in terms of developing strategies; he was disappointed to find out that not many Americans knew very much about the North Vietnamese. "And most of what they knew," he added, "they'd gotten from books and gotten from one another. So our secondary purpose was to educate and inform the American people about the plight of these men. And then, thirdly, we hoped to get the goods to the men. It wasn't so much the Christmas packages as it was the medicine and clothing. We failed on Item 3, but we succeeded on Items 1 and 2. We made the contacts, we developed our strategy and the American people, for the first time because aroused and informed."

At the luncheon in Denver, which was in the early stages of organizing a delegation to go to Paris, Perot told the story of the 4½-year-old boy. He also said that Hanoi, no matter how angry it might be at our national leaders, did not want the enmity of the American people.

"They're counting on mil-



A TEXAN, AFTER ALL: Perot, "a surprisingly modest man" who doesn't wear cowboy boots, fly his own plane or dabble in oil, still knows his way around a horse. Above, an impromptu trot near his office building in Dallas.

lions of us to send our sons back over at some future point in time to protect North Vietnam from China," he said, and the ballroom of the Denver Hilton fell into a stunned silence. "That sounds almost ludicrous, but there are men sitting in this room today who, in 1945, would have said it was ludicrous to think that we'd ever be defending Japan and Germany."

Perot said the North Vietnamese are not sure Russia would help them. "Only one nation in the world sends its sons to help others. They think we might. That's the big reason they don't want you to hate them over a handful of men. It's an unacceptable risk."

For those who still doubted, Perot offered "tangible proof" that the Christmas trip in 1969 had not been in vain:

- Seventy-five per cent of all the mail that has come out of the prison camps in the last seven years has come since the trip.

- Prison brutality has decreased.

- The North Vietnamese have increased the number and size of packages families in the States may send to men in prison.

- North Vietnamese propaganda films, including one

depicting a delayed Christmas party for the prisoners, have been released. The films provided the first proof for some families—that their sons and husbands were alive; they demonstrated to others that the prisoners' health had improved.

- While the prisoners were hardly an issue at the Paris peace talks a year before, now they were one of the top issues.

AND there was another bit of "tangible proof," Perot told his audience in Denver. "This little 4½-year-old boy who got me involved and who didn't know whether he had a dad knows that he has a father today. They just got absolutely sick of this little boy's mother and me and all the others who were involved, and so they started to let that man write home.

"He's in good health; he's in good spirits. This little boy's dad is coming home. If I hadn't accomplished anything else, that would make the whole experience worthwhile. If you could just get that piece of information about one man from Denver, it would make the whole experience worthwhile."

Perot spoke for half an hour with three wives and one sis-

ter of men classified as prisoners or missing in action. They hung on Perot's every word, and it was obvious that he wanted to bring them good news but that he had little to offer. "The best sign I see," he told them, "is that—all those people who jump on the bandwagon at the last minute?—they're coming around now."

As he was leaving, one of the women said, "I'd love that man if he didn't have a penny."

Perot went to a television station to be interviewed and to tape a spot announcement on behalf of the local prisoner effort, which is called Colorado Cares. He did the 60 seconds faultlessly, but afterward said he had felt a little silly up there in front of the cameras.

Samir H. Zakhem, a political-science professor at Loreto Heights College in Denver, the director of Colorado Cares and a Lebanese who only a few weeks before had gained his United States citizenship, told Perot that he had been heartened by the willingness of young people to help in the prisoner effort. "Members of S.D.S. helped me get the signatures on the petitions to Hanoi," he said.

ON the airplane to San Francisco, a bouncy stewardess with a cascade of blonde hair stopped to say hello. Within 30 seconds Perot had determined that she was from a small town in Iowa and had been active in the 4-H Club there. She mentioned that she would have a 15-hour layover in Las Vegas, and Perot gave her a dollar, saying, "Make me some money."

The other stewardess, a sincere, matter-of-fact brunette, came by a little later. She told Perot: "I just wanted to say thank you for everything you're doing."

"Have you got a boyfriend over there?" Perot asked.

"I've got a boyfriend, and he flies in the Air Force. He's based here now, but . . ." The stewardess did not finish; she made a gesture of helplessness.

In San Francisco, Perot visited with managerial employees at the E. D. S. office, and almost everything he told the two dozen young men—all of them in subdued business suits, none with hair or sideburns that wouldn't pass muster in the Army—was based on the philosophy he had written in Hawaii in the summer of 1962. He emphasized that E. D. S. was wide open for young people with talent; he had, in fact, given up the post of president and kicked himself upstairs to chairman of the board to make

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more room for young men on the way up. He repeated, several times, the admonition that if a company like E. D. S. is to be successful, its people must think and act as individuals.

Later that evening, when he addressed 150 young men from the Bay Area whom the E. D. S. recruiters had selected as potentially good material, Perot explained some of the company's policies (for instance, it pays all employe maternity bills because Perot, who has four children himself, thinks becoming a parent is one of the finest things that can happen to a man), but he also leaned heavily on the idea of individuality.

After the meeting, a young man asked Perot why, with all the talk of individuality, E. D. S. employes tended to look alike. "We want to be part of the scenery," Perot replied. He explained that E. D. S. people work on the client's premises, and, running his fingers along the lapels of his off-the-rack suit, said: "You might call this camouflage in the corporate jungle."

That night in San Francisco, which is perhaps the American city that appeals most to the senses and which has an impressive selection of restaurants, Texas Millionaire H. Ross Perot dined out of a paper bag on a grilled-cheese sandwich and a chocolate shake. He was too busy to eat properly; he wanted to talk to the wives of San Francisco's prisoners of war.

And if his sense of taste fared poorly in San Francisco, Perot's sense of sight got equally short shrift on the flight back to Dallas. As the big plane floated over spectacular landscapes — the Painted Desert and the Grand Canyon, to name only two — Ross Perot ignored it all to talk about the prisoners. He was pleased that local, independent committees had sprung up to carry on the effort. For one thing, it indicated that people weren't as apathetic as they sometimes seemed; for another, the North Vietnamese were becoming skeptical about anything that bore the Perot name, but they could not ignore the hometown delegations of teachers, doctors, laborers and city councilmen.

Is it a success?

"Only when we have the men," Perot answered.

He talked of another project, American Horizons, on which he and his bright young men are working now. It would consist of a series of television discussions of important issues keyed to computer-sized cards distributed with the weekly television guides in local newspapers. Perot explained that viewers would be asked to submit

their opinions on the cards, and the results would be made available to anyone who wanted to know what Americans were thinking.

"It's an electronic town hall," said Perot. "We want to educate and inform; we don't want to propagandize. That's the tough part of all this, the balance; so that when it's all over, you may go one way and I may go another, but the exciting thing is that we're going somewhere."

All of this, of course, will cost money. But H. Ross Perot is used to spending money. He once told the United States Department of Health, Education and Welfare that he would be willing to use his own funds to build pilot models of social programs that H. E. W. couldn't afford to build, with H. E. W. as an adviser — a scheme pretty nearly opposite to the way the department has operated.

"I told them, 'We'd like to turn the role around. We'd like you as an adviser, and we'd use our money and know-how to build the programs,'" said Perot. "They've never come to grips with that proposal."

That a bureaucracy as vast and inbred as the Department of Health, Education and Welfare may never come to grips with such an attractive proposal will not be a surprise to more cynical citizens. Nor may it be surprising to hear Ross Perot say that he has no political ambitions. The man says he would grow impatient and frustrated in such an environment as the United States Senate or the House of Representatives, and it is easy to believe him.

WHATEVER his political plans, though, it would be surprising if we were to hear less from H. Ross Perot in the future. If ever there was an evangel of the wealthy, a millionaire who thought he should pay his dues, Perot is it. But he does have one big headache — how to spend his money wisely.

As the plane approached Dallas, he pondered a question on how much he had spent in the prisoner-of-war campaign. About \$2-million, he said. And other expenditures — the Dunbar School? the Scouts?

"I'd guess somewhere around \$5-million or \$6-million."

He mused a while. "The problem, though," he said, "is finding places where I can intelligently spend it." He thought a second more, then added: "Be careful how you write that, or I'll be deluged with opportunities." There was another pause, and then: "That's all right, though; that's why we're here." ■

While serving aboard the *Leyte*, Perot had been invited by a visiting executive from the International Business Machines Corporation to look him up after his discharge. Perot did so, and obtained a job selling computers in Dallas. In his fifth year with I.B.M. he sold his year's quota in the first three weeks of January, and his initiative was rewarded with a desk job in the corporation's Dallas office. While in that job he came across Henry David Thoreau's observation, "The mass of men lead lives of quiet desperation," and he took it as a personal warning that he must not allow his initiative and individuality to be stifled in a corporation trap. When I.B.M. offered him an administrative position in White Plains, New York, he decided to quit and strike out on his own.

While working for I.B.M., Perot had observed that companies leasing hardware from the corporation often had trouble learning how to utilize it. He decided that there was need for a service organization that would design, install, and operate electronic data processing systems for clients on a contract basis. On his thirty-second birthday, June 27, 1962, he founded Electronic Data Systems with \$1,000 in savings and with his wife, his sister, and his mother as charter directors. Determined not to go into debt buying capital equipment, he initially used a computer owned by a Dallas insurance company, buying unused time on it at wholesale rates and then selling it retail to another firm. His staff, at first consisting of himself and a secretary, was soon expanded to include two former I.B.M. salesmen and an ex-I.B.M. systems engineer. All three are now multimillionaire vice-presidents of E.D.S. The first customers serviced by E.D.S. were insurance firms, and medical insurance claims have continued to provide the bulk of the company's business.

During the 1960's, E.D.S. doubled its business annually, branch offices sprang up in major cities throughout the United States, and the number of employees grew to 1,700. When Perot decided it was time for his company to go public, in 1968, he handled the stock offering as shrewdly as he had built up the firm. First he recapitalized E.D.S. so that nearly 12,000,000 shares were in existence, each with a par value of 20¢. Of the new shares, however, he offered only 650,000 for sale, and he shopped carefully among Wall Street underwriters for the firm that would guarantee the highest price. He finally chose R. W. Presspich and Company, which brought out E.D.S. at \$16.50 a share, representing a near record price-to-earnings ratio of 118 to one. At the close of trading the first day, September 12, 1968, E.D.S. was selling at \$23 a share. Since Perot had kept more than 9,000,000 shares for himself, his net worth at sunset was over \$200,000,000. By the first week of October, E.D.S. stock was quoted at \$33, and at the height of the bull market in 1969-70 it hovered around \$150, making Perot, on paper at least, a billionaire.

In frantic over-the-counter trading on April 22, 1970, the value of E.D.S. stock dropped to \$100 a share, causing Perot a paper loss of almost half a billion dollars. But Perot has a detached attitude toward his wealth. "The day I made Eagle



H. ROSS PEROT

Scout was more important to me than the day I discovered I was a billionaire," he once told a reporter. Uninterested in a life of personal luxury and determined not to leave his children so much money as to deprive them of the same chance at personal initiative that he had, he directs his money toward projects that he considers deserving. One such is the United States government, to which he pays taxes even on the tax-exempt money he puts into the Perot Foundation, the nonprofit corporation he established in April 1969 to handle his philanthropies. Among the foundation's beneficiaries are the Dallas public school system, which is receiving \$2,500,000 over a three-year period, two-thirds of it for a ghetto elementary school, in addition to \$72,000 for a high school leadership program; the Boy Scouts of Dallas, who are receiving \$1,000,000 to help them extend their work to black and Mexican youth; and a Dallas Roman Catholic high school, which is receiving \$150,000 because Perot, a Presbyterian, heard that it was a good school.

But Perot's most publicized project has been his effort to free United States prisoners of war in North Vietnam, an effort that has cost him an estimated \$2,000,000. That crusade began in the fall of 1969, when the wives of four POW's wanting to go to Paris to ask North Vietnamese officials there for news of their husbands petitioned Perot to subsidize the trip. He did so, and the four women went to Paris, to no avail. The matter might have ended there, but the Texas philanthropist, deeply touched by the plight of the prisoners and their families, directed a team of E.D.S. experts to devise a campaign to help the prisoners.

The E.D.S. group quickly set up an organization called United We Stand, which spent \$1,000,000 on newspaper and television advertising to publicize the POW problem and to urge public support of President Nixon's Vietnam policies. (In Perot's opinion, the fastest way out of Vietnam is for United States citizens to unite behind the government.) Within a few weeks United We Stand had collected twenty-six tons of mail, food, clothes, and medicine for the Americans held in North Vietnam.

ham, T. S. Eliot, Aldous Huxley, and F. Scott Fitzgerald. Photographs of Maugham, Joyce, and the late C. S. Lobrano, his favorite editor at the *New Yorker*, and a watercolor by Stuart Davis adorn the wall of his workroom. Among his favorite motion pictures are those of W. C. Fields.

Brooks Atkinson once described S. J. Perelman as "a slight, immaculately groomed gentleman with a doleful look," and another observer has called his look "owlish." Perelman wears a neat mustache and a pair of oval, steel-rimmed glasses that he picked up in Paris in 1927. In general appearance he is tweedy but dapper, as elegant in his choice of wardrobe as he is in his choice of words. While he is soft-spoken and reserved in manner, those who know him testify that he is "a full-time wit" who converses in "multiple fascinating directions." Perelman has two children, Adam and Abby Laura. Pointing out that he is not "a happy laughing kid" but a "crank," the humorist has said: "I'm highly irritable and my senses bruise easily, and when they are bruised I write."

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PEROT, H(ENRY) ROSS (pə-rō')

June 27, 1930- Industrialist; philanthropist
Address: b. Electronic Data Systems Corp., Exchange Bank Tower, Dallas, Tex. 75235;
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Self-made Texas multimillionaire H. Ross Perot, a paragon of the Protestant ethic, has dazzled Wall Street with his business acumen and captured headlines with his patriotic zeal in behalf of United States prisoners of war in North Vietnam. Perot's fortune is based on his near total ownership of the Electronic Data Systems Corporation, a rapidly expanding computer service company that he founded in Dallas in 1962. Through one of the sharpest underwriting deals in financial history, Perot became a billionaire within a few months of offering a small portion of E.D.S. stock to the public in September 1968. Wall Street vagaries have since reduced his resources somewhat but not his determination to spend them on projects that he believes in. Far from the stereotype of the Texas right-winger, Perot espouses an essentially nonpolitical faith in initiative, hard work, old-fashioned reverence for home, country, and religion, and a profound disdain for bureaucracy. Although his philanthropies have included large contributions to the Boy Scouts and to ghetto pub-

lic schools, he is best known for his ventures into international diplomacy to aid the American POW's, and especially for his unsuccessful attempt to fly to Hanoi in December 1969 with Christmas packages for the prisoners. In the world of finance Perot's most recent coup was his takeover of F. I. du Pont, Glore Forgan and Company, New York's third largest brokerage house.

Henry Ross Perot was born on June 27, 1930 in the east Texas city of Texarkana. His father, now deceased, was Gabriel Ross Perot, a cotton broker and part-time horse trader who kept his family living fairly comfortably in a three-bedroom red-brick house in Texarkana. "Dad's business was talked morning, noon, and night in that house," Bette Perot, the millionaire's sister and director of his private foundation, told Terence Shea of the *National Observer* (September 14, 1970). "Dad was a real trader, and Ross learned many lessons just listening. He absorbed everything."

When he was six Perot went to work for his father, breaking horses to the saddle for a dollar or two apiece. (His nose still shows the results of the falls he took.) But his real talent was for selling, whether Christmas cards, used saddles, or the *Saturday Evening Post*. At the age of twelve he worked out a deal with the circulation department of the *Texarkana Gazette* whereby he would establish a paper route in the town's black slum area and in return would earn 70 percent rather than the customary 30 percent of subscription fees collected. Setting out each morning at 3:30 on horseback, he covered twenty miles before school each day, and he was soon making \$40 a week. The circulation department tried to renege on his added percentage, but he successfully countered that effort by going directly to the owner.

As a Boy Scout, Perot rose to the rank of Eagle Scout. In school he was a mediocre student until the eleventh grade, when the teacher told him he was not as bright as his classmates and thus prodded him into earning straight A's. After high school he attended Texarkana Junior College as a pre-law student, but his real ambition was to study at the United States Naval Academy and go to sea. In 1949 he succeeded in obtaining an appointment to Annapolis.

At Annapolis Perot was only a middling student, graduating 454th in a class of 925, but his classmates voted him the best all-around midshipman and life president of the class. After receiving his commission, in June 1953, Perot boarded the destroyer USS *Sigourney* en route to Korea, but the Korean war ended before the ship arrived. Ensign Perot's next assignment was as assistant navigator aboard the aircraft carrier USS *Leyte*. "I loved the Navy, loved the sea, loved ships," he told Fred Powledge of the *New York Times Magazine* (February 28, 1971). "But I always find that whatever I'm doing, I'm thoroughly involved in it. In the Navy, the promotion system and the seniority system and the waiting-in-line concept were just sort of incompatible with my desire to be measured and judged by what I could produce." Perot decided not to sign up for another hitch and was discharged in 1957 with the rank of lieutenant.

stay "in the pocket" under pressure and to aim his throws without panic from that situation. "Plunkett is the best drop-back passer I've seen in college football," coach Tommy Prothro of U.C.L.A. has said. Like veteran Patriot quarterback Joe Kapp, Plunkett is of Mexican descent, and much of his spare time has been spent in giving career and life guidance to Chicano children through group talks and personal counseling.

Jim Plunkett's Mexican ancestry has a German-Irish admixture in the paternal line. The youngest of three children and only son of William and Carmen Plunkett, he was born in San Jose, California on December 5, 1947. His father, a blind news vendor, died in 1969. His mother, who is also sightless, still lives in San Jose. The parents, while bilingual, spoke only English to their children, and Plunkett grew up without learning to speak or understand Spanish. Because the family's income was meager, Plunkett earned his own spending money in childhood. As soon as he could count change he began selling newspapers, and later he worked in a gas station.

A quiet, nongregarious homebody who was big for his age, Plunkett found in sports a congenial outlet for his youthful energies. Despite the handicaps of a childhood bone disease and a tendency to obesity, he was an all-around San Jose schoolboy athletic star from the time he was a fifth-grader at Mayfair Elementary School. At Lee Matheson Junior High School he excelled at basketball, wrestling, track, and baseball and discovered his ability as a passer in football. He was the sparkplug quarterback with the junior varsity football team at Overfeldt High School and with the varsity at James Lick High School, where he transferred in 1964. In the latter year he paced James Lick High to the Mt. Hamilton League title and in 1965 to an undefeated season. In both years he was named to the All-League team, and in 1965 he also made the North Shrine All-Star team.

Many colleges and universities offered Plunkett football scholarships when he graduated from high school in 1966. He chose Stanford University in Palo Alto, California for two reasons: it had a good reputation academically, and it was close to his home. Just before he entered Stanford he underwent surgery for a thyroid tumor. The growth turned out to be benign, but recuperation from the operation delayed Plunkett's entrance into the freshman lineup at Stanford and when he finally did leave the bench his performance was below his standard. At the same time he fell behind his class academically—a full year behind, in effect. Later Plunkett, a political science major with an IQ described as "very superior," established and maintained a B average.

When Plunkett moved up to the Stanford varsity in 1967, Coach John Ralston wanted him to switch from the quarterback position to defensive end, but Plunkett refused. Having three other quarterbacks, Ralston kept Plunkett "red-shirted"—active in practice but benched during games—throughout the 1967 season. By that device he delayed for one year the beginning of the official counting of Plunkett's eligible playing time. (N.C.A.A. rules state



JIM PLUNKETT

that no one may play for a college varsity team more than three years.)

In 1968, his first year in the varsity lineup, Plunkett succeeded in completing 142 out of 268 passes for 2,156 yards and 14 touchdowns. The yards he gained aerially set a record in the Pacific Eight Conference and his total offense yardage (distance covered in the air and on the ground) ranked tenth in national standings. During the season he cracked some ribs, and he played the last few games with an injured right knee, from which surgeons removed damaged cartilage at season's end. The following year, completing 197 out of 336 passes, Plunkett set new Pacific Eight records for passing yardage (2,673 yards), touchdown passes (20), total offense yardage (2,786 yards), and total offense in a single game (416 yards, against Purdue). Nationally, he ranked fifth in passing and third in total offense.

When his class graduated (without him) in 1970, Plunkett became eligible for the pro draft. He was tempted to announce his availability for the draft, because his mother needed financial help, and as a college athlete he was barely able to support himself by supplementing his scholarship with summer construction jobs. But he rejected the temptation, out of loyalty not only to Stanford but also to the Chicano children he was counseling. "How could I tell them not to drop out of high school," he later explained, "if it looked like I was dropping out of Stanford?"

In 1970 Plunkett sparked the Indians to an 8-3 season, the Pacific Eight championship, and a trip to the Rose Bowl. Completing 191 out of 358 passes for 2,715 yards and 18 touchdowns and gaining an additional 183 yards and 3 touchdowns on the ground, he bettered most of the conference records he himself had already set. His three-season totals with Stanford were 530 out of 962 passes completed for 7,544 yards and 52 touchdowns, and his career record of 7,887 yards in total offense was by far the highest in the history of the N.C.A.A. On November 24, 1970 the Downtown Athletic Club in New York City awarded Plunkett the Heisman Memorial Trophy, bestowed annually on the college football player judged best in a poll of sportswriters.

Perot chartered two planes and with his cargo set off for Hanoi in December 1969. He was never allowed to land there, despite his personal pleas to North Vietnamese diplomats in Bangkok and Vientiane and even, by telephone, to Soviet party chief Leonid Brezhnev. Nor were Perot's later attempts successful. In January 1970 he offered \$100,000,000 as ransom for the prisoners, but the offer was ignored. Three months later he flew with many prisoners' wives to Vientiane and to Paris in a vain attempt to meet with North Vietnamese officials to discuss release of the prisoners. Late in 1970 he planned another Christmas trip to Hanoi, but was foiled when the Soviet airliners he chartered canceled the flight.

Ostensibly his missions have been failures, but Perot contends that they have had the following salutary effects: they woke the American people to the plight of the prisoners; put the fate of the POW's on the agenda of the Paris peace talks; made the North Vietnamese more humane in their treatment; and increased the flow of mail to the prisoners and the number and size of the packages they are allowed to receive.

Despite his personal opinions about Vietnam policy, Perot does not condemn war protesters. "It's the ones who haven't committed themselves [on the war issue] who have given aid and comfort to the North Vietnamese," he told Christopher S. Wren of *Look* (March 24, 1970). To stimulate a sense of participatory democracy in more citizens, Perot has long cherished the idea of establishing what he calls an "electronic town hall," consisting of network television programs devoted to bipartisan discussion of national issues. Viewer opinions would be elicited, compiled by computer, and made available to legislators.

Perot's adventures in public service have inspired speculation about possible political motives on his part, but he scoffs at the suggestion that he might be interested in seeking political office. In an interview with William McAda of the *New York Sunday News* (February 22, 1970) he declared: "I would make a very bad politician. I have no patience for the red tape and inactivity." He is also regarded in some circles as an agent of the Nixon Administration. Indeed, he was a substantial contributor to the President's 1968 campaign; he allowed a number of his employees to take sabbaticals to work in the campaign; and he is an old friend of Attorney General John Mitchell. But he claims that he is a "nonextremist," aligned with neither Democrats nor Republicans, and that his United We Stand project would have backed Humphrey's policies had he been elected President. There seems to be no evidence that Perot has received any encouragement for his prisoner-of-war crusade from Washington beyond the expediting of visas and other such routine cooperation. As one administration official told Kent Biffle of *Newsweek* (April 13, 1970), "The [State] Department looks on him as a rich but eccentric uncle. One may secretly admire his eccentricity, but one doesn't want to get too close for fear of what he might do next."

An unabashed moralist of the old school, H. Ross Perot makes clear to all new E.D.S. employees that marital infidelity will mean summary dismissal. He does not insist that his employees emulate his abstinence from liquor and cigarettes, but he does require male employees to dress as he does, in conservative dark suits and white shirts, and even messenger boys must wear a tie. The byword of the company is efficiency: supervisors are trained to look for and remedy any waste of time or motion. Perot is a small, wiry man, five feet six inches tall and weighing 130 pounds, who wears his blond hair close-cropped. Modest in his tastes, he buys his suits from the rack, drives a five-year-old Lincoln, and dines on cheeseburgers as often as on steaks. Since 1956 he has been married to the former Margot Birmingham. Mr. and Mrs. Perot and their four children—three daughters and Ros Jr.—live comfortably but unostentatiously in an exclusive suburb of north Dallas. Perot regards his family as central in his life and scrupulously keeps his wife and children out of the public eye. "I could do one thing, I would try to construct strong family unit for every family [in the United States] on the basis of love, understanding and encouragement," the millionaire philanthropist told William McAda in the *Sunday News* interview "All the other problems then would disappear."

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PLUNKETT, JIM

Dec. 5, 1947—Football player
Address: b. New England Patriots Football Club
78 Lansdowne St., Boston, Mass. 02215

In the 1971 professional draft of college players the New England Patriots of the American Conference of the National Football League got the first choice, Heisman Trophy winner Jim Plunkett, Stanford University's slinging quarterback. Plunkett led the Stanford Indians, previously a feckless, middling team, to a three-year record of 22 wins, 8 losses, and 2 ties, climaxed by victory in the Rose Bowl. In the process he established himself in third place all-time rankings of major-college passers and set a new career mark in total offense in the National Collegiate Athletic Association.

The strapping Plunkett has an overarm delivery that makes interception difficult, and his power thrusts are deadly accurate up to sixty yards and effective, on occasion, up to ninety-six yards. In addition, he has speed and agility in shaking tackle, a strong will to win, a keen eye for anticipating defensive moves, and a poise that enables him

H. ROSS PEROT

Texas Tornado Hits Wall Street

By MICHAEL C. JENSEN

H. Ross Perot, the computer millionaire who controls duPont Glore Forgan, Inc., the country's third largest stock brokerage house, has hit Wall Street with the force of a Texas tornado.

His business methods are unconventional. His political ties are controversial. And his shake-up of the duPont concern have caused reverberations up and down Manhattan's financial district. Not within recent memory has one man caused such a stir in brokerage circles or aroused such heat and passion.

He's Wiry, Talkative, Unorthodox And Rich

To many Wall Streeters, the 42-year-old, Mr. Perot is a bit like his favorite steed, which he describes as a "fast, mean little horse" with only two speeds: "stop and dead run."

In addition to his unorthodox methods, Mr. Perot's

wealth also puts him in a decidedly rarefied category — even for Wall Street.

By the age of 39, he was worth more than \$1-billion on paper, although his holdings now have dropped to about half of that because of a decline in the stock price of the Electronic Data Systems Corporation, a Dallas-based computer services company he founded and heads.

Mr. Perot, a wiry, 5-foot 7-inch, 144-pound Texan has the physical appearance of a somewhat wizened college cheerleader.

His personality, like that of most super salesmen is almost chameleon-like,

changing rapidly from bluster to cajolery to studiously sincere argument. All the time he emits a non-stop flow of Texas anecdotes and homilies, interlarded with frequent references to his family and the good works he has initiated. He is married, has five children and lives in Dallas.

Notwithstanding his vast wealth and business activities, Mr. Perot is best known to the public as the man who spent about \$2-million of his own money trying to take food, mail and medicine to the prisoners of war in Vietnam and publicizing their plight.

But the P.O.W. campaign was only a side activity for Mr. Perot. His main efforts have gone into building E.D.S. and to a lesser extent into revamping the ailing duPont concern. A close look at the Perot computer services operation gives some indication of what Wall Streeters can look for from the Texan who has invaded their clubby turf.

His meteoric rise to fame and riches began in 1957, when he resigned from the Navy to work for the International Business Machines Corporation. Other landmark dates included 1962, when he left I.B.M. to work for Texas Blue Shield while simultaneously founding E.D.S.; 1968, when he sold E.D.S. stock to the public and became a millionaire; 1969, when he became active in P.O.W. affairs, and 1970, when he bailed out the ailing brokerage house of duPont Glore Forgan.

Much of Mr. Perot's success with E.D.S. has been based on multimillion-dollar data processing contracts with Medicare carriers like Blue Cross and Blue Shield in such states as Texas, California and Minnesota. Some of these contracts have aroused considerable controversy and scrutiny by his critics.

But the scrappy Texas millionaire also has plenty of friends. Among them is the President of the United States, who has received considerable campaign help, in cash and manpower, from Mr. Perot and his associates.



The New York Times/Jerry Cabluck

H. Ross Perot in his headquarters in Dallas

In the reception room of Mr. Perot's lavish Dallas office, where it can scarcely be missed, is a color photograph of the President inscribed: "To Ross Perot, with deep appreciation and best wishes from Richard Nixon."

Behind the high-level friendships and glossy public image, a spate of problems confronts Mr. Perot (pronounced pe-ROW), and his business enterprises. Such as:

¶The stock price of Electronic Data Systems, which traded as high as \$162 a share in 1970 and once soared to an astronomical 500 times earnings, has sunk below \$50. The stock now sells for about 41 times earnings, still considered high, but far below its peak.

¶A subcommittee of the House Committee on Government Operations is working on a report that is expected to be critical of E.D.S. and its Medicare accounts, which are subject to Government approval. The report will be based largely on hearings held in late 1971 and mid-1972 which were little publicized at the time.

¶Wall Street brokerage houses are struggling through a serious slump at the very time Mr. Perot is moving vigorously to impose his stamp on his latest enterprise, duPont Glore Forgan, and to get new business on Wall Street for his computer company.

¶Stories continue to emerge about the Social Security Administration's quick approval in 1971, after long delays, of some E.D.S. Medicare subcontracts. The approval came soon after Mr. Perot agreed to bail out duPont Glore Forgan.

¶Other publicity about Mr. Perot's business activities and political connections — including details of a hasty visit to New York Governor Rockefeller to help preserve a contract bidding position for E.D.S.—have stepped up recently. Such stories hurt his business; Mr. Perot says.

However, not everything is gloomy for E.D.S. or for duPont Glore Forgan or even for Mr. Perot. On the contrary. Without question, his computer service company has been solidly built on a base of able, energetic employees and good service to customers.

E.D.S. has mushroomed — from sales of \$7.7-million and earnings of \$1.6-million

in fiscal 1968 (the year the company went public) to sales of \$89-million and earnings of \$12.6-million in fiscal 1972 ended last June 30.

One potential E.D.S. problem that security analysts discuss is the heavy concentration of business in just a few accounts.

Although company officials refuse to volunteer information about individual accounts, records filed with the Securities and Exchange Commission disclose that a single E.D.S. customer — reportedly California Blue Shield — provided 26 per cent of the company's gross revenues in fiscal 1972. Mr. Perot says that figure is now down to 20 per cent.

He says big customers can be an asset if they are tied to long-term contracts.

Mr. Perot's success in building his company has made paper millionaires of a number of his youthful associates. According to company proxy material, Mill-edge Hart, a 39-year-old ex-I.B.M. salesman who is now president of E.D.S., owns about \$16-million worth of the company's stock.

Thomas Marquez, 35, a vice president of E.D.S., has nearly \$10-million in stock, and Morton Meyerson, 34, who was assigned by Mr. Perot to run duPont Glore Forgan, has more than \$2-million.

There is no question that Mr. Perot fashioned a business formula that worked. Hiring mostly ex-military officers, he enforced a personal employe code that went beyond anything conceived by Thomas Watson Sr. of I.B.M.

Visiting an Electronic Data Systems office is like stepping into a time machine and emerging at a Junior Chamber of Commerce meeting in the nineteen-fifties. All the men are polite, energetic and dressed in dark suits with white shirts and conservative ties. Their hair is short and neatly trimmed, and their sideburns end above the ear hole.

The moral sanctions for E.D.S. men are strict.

"Two things will get a man fired around here," a company executive confided during a walk through the headquarters building. "One is telling what your salary is, and the other is marital infidelity."

One of the shrewdest moves Mr. Perot ever made

was probably the manner in which he took his fledgling company public in 1968, preserving 9 million of the 11 million shares of stock for himself and taking a small amount to market at about 100 times earnings.

He became a multimillionaire overnight and a billionaire on paper within a year as the stock caught the public fancy and leaped in price. Since then, he has cashed in about \$100-million of his stock for real money.

Mr. Perot also negotiated hard on the terms for taking over duPont Glore Forgan, after he had been asked by Wall Street and Administration officials to bail out the ailing firm during the Wall Street crisis of 1970. He emerged with nearly total control of the old partnership and has put nearly \$65-million in cash and borrowed money into it.

Mr. Perot clearly did the Nixon Administration a favor by rescuing duPont. His friends and foes alike keep track of his relationship with President Nixon. Mr. Perot denies any particular closeness, but there are indications to the contrary.

He met several times with the President about the P.O.W. issue, and in 1969 he was named to the board of the Richard Nixon Foundation, along with such Nixon intimates as H. R. Haldeman and John Erlichman of the White House staff.

One curious sequence of events has given rise to stories that E.D.S. traded on its political contacts for important business purposes. Five Medicare subcontracts to E.D.S., which had been held up for a year or more, were approved by the Social Security Administration within six months after Mr. Perot agreed to help the Nixon Administration by bailing out the duPont brokerage firm.

Mr. Perot, stung by criticism, vigorously denies that there was any relationship between approval of the subcontracts and his duPont move.

"As much as someone would like to say that there is political favoritism," he said, "there is not. Zero."

He also points out that he made no political contributions during the 1972 election campaign. However, his three top employees donated more than \$180,000 to the 1972 Nixon campaign, according to official records.

Mr. Hart of E.D.S. gave \$86,323. Mr. Marquez of E.D.S. gave \$88,775 and Mr. Meyerson of duPont Glore Forgan gave \$5,000.

Mr. Perot is sensitive about some issues that were raised during House subcommittee hearings in 1971 and 1972. He was particularly outraged over testimony by William C. Lanning (now retired) of the Social Security Administration, who estimated that E.D.S. profits on its Medicare subcontracts ran as high 100 per cent of costs.

Mr. Perot counters with graphs and charts, which he says are based on Government figures and which purport to show that E.D.S. is a more efficient and cheaper processor of Medicare claims than the Government's own model system.

At times Mr. Perot gives the impression that he feels he is surrounded by enemies.

People in the Social Security Administration are trying to put him out of business, he says, because his computer system is better than theirs and makes them look bad.

Some negative publicity about E.D.S., he says is planted by venal Wall Streeters who have shorted the company's stock (and thus would benefit if it declines in price) and paid off reporters to write "dirty stories."

Despite such flashes of persecution, however, Mr. Perot is a naturally ebullient man. His friends and employes swear by him—partly because he hires in his own image and has staffed the company with his favorite type of person: vigorous, hard-working, ambitious, usually from a humble beginning.

"They're a little bit robot-like," said one New York security analyst. "I don't think I'd like to work for them, but I'd like to have them working on my computer."

What sort of boss do these close-shaven ex-military men work for?

Mr. Perot graduated in 1953 from the Naval Academy. He stood 453d in his class of 925 and was president of the class.

The Annapolis yearbook, in a moment of prescience, observed that "what Ross lacked in physical size, he more than adequately replaced by his capacity to make friends and influence people."

The Navy had little chance to find out, because Mr. Perot

chose civilian life after serving his minimum four years and went to work for I.B.M. selling computers. From there it was only a few years until his fortune was made.

Mr. Perot has decided to run duPont along the lines that have worked for him at E.D.S. He has installed his own management team and is recruiting vigorously for a six-month training program for which trainees must reimburse him if they choose an early departure from duPont.

He has imposed a somewhat modified dress and moral code on duPont employees. Eight days ago he held the first in what he says will be a series of monthly meetings in Dallas of more than 100 duPont-branch managers.

Because he takes a generally dim view of Wall Streeters, Mr. Perot is attempting to refashion duPont in the E.D.S. mode.

"I never met a bunch of people who have a lower opinion of their own industry," he says of Wall Streeters.

Although monthly figures are not available, Wall Street sources said that duPont, along with many other brokerage houses, is having a profit problem. Mr. Perot concedes that the concern has had some bad months as well as some good ones.

Meantime, the energetic Texan keeps moving. In a recent week-long period, he faced a meeting of about 400 security analysts in New York; huddled with smaller

groups of analysts during the same day; held a series of interviews with newspaper and television reporters, starting at 7:30 A.M. in his hotel room at the Waldorf Towers; taped a segment for the network show "Sixty Minutes," and appeared before the House Ways and Means Committee to testify on capital gains taxes.

What about the future for Mr. Perot and his enterprises? On Wall Street there is persistent talk of a merger between duPont and Walston & Co., although Mr. Perot denies that any such plan is imminent.

What does seem likely is that the heavy recruiting and training program and careful back-office and front-office control at duPont will

begin to pay dividends when the stock market turns up and the public returns. Meanwhile, the over-all employee level has been trimmed since 1971 from 5,000 to about 4,000.

"The things I'm doing are five-year programs," Mr. Perot said. "But the payoff will be huge once you get those fellows [now in training] out there. We'll be able to do things that other people just talk about, but it may take us three or four years."

"Right now I would say our organization compares very favorably with the other big retail firms. But I'm used to being able to say something once, in a whisper, and having committed guys across this country go make it happen."

March 25, 1973

SVETLANA ALLILUYEVA PETERS

For Stalin's Daughter, a Quiet Celebration

By JUDY KLEMESRUD

Special to The New York Times

PRINCETON, N. J.—Once the world knew her as "The Little Princess of the Kremlin." Today, at the age of 47, she describes herself as "a simple skirt-and-sweater person" and she spends most of her time in the very unroyal pursuit of her energetic 2-year-old daughter, Olga.

It is as good a way as any for Svetlana Alliluyeva Peters, Stalin's daughter, to help forget her shattered marriage to a prominent American architect—the latest in a chain of personal tragedies that have made her life rival the drama and intensity of a Russian novel.

"My child is my main occupation—she takes 90 per cent of my time," Mrs. Peters said softly, in near-perfect English, as she sat in the simply furnished, barracks-type residence of two close friends, a brother and sister who teach Russian at Princeton University.

She had requested that the interview take place there because she was worried that her large, black-shuttered white clapboard home with the two-car garage on Wilson Road might give her visitor "the wrong impression." (She plans to move to a smaller home this summer, she said.)

"Everybody keeps asking me if I am writing another book," she went on, referring to the two books ("Twenty Letters to a Friend" and "Only One Year") that were published by Harper & Row after she defected to this country in 1967. "But I am not doing any writing, and I don't plan to for quite a time. I have a child and I am 47 and it is rather unusual to have a small child

when you are my age. She is my whole life. We eat together, we sleep together, we walk together, and we meet neighbors and their cats and dogs together.

"Oh, I can hardly wait until Olga goes to school," she said, breaking into a grin. "She is so active and she is always jumping up and down and right now she has a black eye, because she fell down. They say children of old mothers are very smart, so I guess there's some hope."

Although her sense of humor is well developed, Mrs. Peters is still a very shy woman, whose hands frequently touch her face as she is talking, and whose eyes rarely meet those of her visitor's. True to her "skirt-and-sweater" self-description, she was wearing a simple beige cardigan over a dark green pull-over, and a brown plaid skirt. Her clothes, along with her reddish hair, piercing blue eyes and rosy cheeks, made her appear more Scottish than Slavic.

Today is a special day in Mrs. Peters's life. It was on March 6, 1967, that she

knocked on the door of the United States Embassy in New Delhi to ask for asylum. (The Soviet Government had given her permission to go to India with the ashes of her late fiancé.) Since then, she has observed a sort of quiet personal celebration every March 6.

"It was the beginning of a whole new life for me," she said, beaming.

Would she ever like to return to the Soviet Union, perhaps to visit the two children she left behind—Iosif, a 27-year-old physician, her son by her first marriage; and Yekaterina, a 23-year-old daughter by her second?

"Oh, no, never!" she said fervently. "There was a recent report in a Paris newspaper that I had applied to Kosygin asking to go back. But that is so ridiculous—to think that someone who got out of prison would want to go back to prison."

"And my children, they are old now and pretty independent. My son is married and has a child, and my daughter, the last I heard, was a student in geo-

*"I've found exactly what I was looking for
in this country. . . . After six years,
I am perfectly convinced that I am free."*

ROSS PEROT to the RESCUE!

by
Ron Rosenbaum

The real-life adventures of a computer commando

*Where are you now when we need you,
Ross Perot?*

*Who else can we turn to? Where else
can we go? ...*

*There ain't no real-life heroes
throughout this wretched realm.*

—"Where Are You Now When We
Need You, Ross Perot?"

© 1979 by Glad Music Inc.

Big night in Dallas. The young business elite, flush with champagne and self-esteem, are settling down to dine in the glowing mirrored ballroom of the Hyatt Regency hotel.

These are not, mind you, TV-Dallas Dallas types gathered here tonight. These are not the cattle barons, wildcatters, and Caterpillar tractor kings, the past dynasts of Texas wealth and power. This is the new generation: systems- and service-industry princes, syndicators, franchisers, and microchip merchandisers, software smoothies who have learned to lease time and compress space.

The man they honor tonight is a hero to this new generation. He is one of them—a data-processing tycoon—but he is also a link to the epic past, to the Texas Rangers

and the Alamo. He's been called "the commando leader of the free-enterprise system," "the Vince Lombardi of data processing," "the Billy Graham of the business world," "a Promethean patriot," and "America's first welfare billionaire."

His name is Henry Ross Perot, and you might recall that back in 1968 he pulled off what *Fortune* called "the greatest single personal coup in the history of American finance." By going public with his privately held computer-services corporation at the peak of the glamour market, he made himself a paper billionaire in a few frenzied days of trading. Then, in 1969, he chartered two red-and-green Braniff 707s, loaded them full of Christmas dinners, and flew them to Vietnam in a highly publicized but futile attempt to deliver them to American POWs in the north. In a single day in 1970 Perot lost close to \$450 million on paper—more money than any individual had ever dropped in one day of stock exchange trading. But a year later he had enough cash on hand to bail out a huge near-bankrupt brokerage firm and thus—he claimed—rescue the entire New York Stock Exchange from collapse.

For nearly a decade after the stock exchange escapade, Ross Perot shied away from grandstand plays, slowly shed his madcap, gung ho image, and settled down to business: building a nationwide electronic data-processing empire entrenched within, and expanding with, the big bureaucracies of the nation's health and welfare industries. The little (five-foot-six) Texas dynamo may not be Big Brother yet, but if he realizes his dream of computerizing the familial functions of big government, he'll be the closest thing we have.

But last year, a decade of relative quiet came to an abrupt end for Ross Perot when he burst back onto the front pages by pulling off a spectacular corporate commando coup.

In December of 1978, in the midst of the chaotic collapse of the Shah's reign, two of

Opposite: H. Ross Perot, corporate chieftain, at his Electronic Data Systems headquarters in Dallas.

RON ROSENBAUM has contributed a number of pieces to *Esquire* and is the author of *Rebirth of the Salesman: Tales of the Song & Dance Seventies and Murder at Elaine's*, a novel.

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Perot's executives had been jailed in Tehran. Held hostage, Perot claimed. The Iranian authorities were asking \$12.5 million bail, but Perot called it ransom—retaliation for the failure of Perot's people to continue servicing the Shah's computers. When an attempt to pay the bail failed—hopelessly entangled, Perot says, in bank-transfer paralysis—he decided to go the paramilitary route. He recruited a team of volunteers composed mainly of veterans already in his employ, brought in legendary ex-Green Beret colonel Arthur "Bull" Simons to command the mission, then flew off to Tehran.

There Perot personally reconnoitered the prison where his employees were being held and, posing as a pal of fellow Texan Ramsey Clark, managed to get access to "the Sunshine Boys" (as the two prisoners had been code-named) and tipped them off to the plot afoot.

Then, early in 1979, Perot flew to Turkey and waited across the border while his commandos bribed a revolutionary mob to storm the prison, plucked the Sunshine Boys out of the chaos of fleeing criminals—eleven thousand of them, "the largest jailbreak in history," according to Perot—and shepherded them through a dangerous overland passage to Turkey.

Mission accomplished. Later, when U.S. embassy personnel were seized and the federal government failed to rescue its employees, a country-and-western lament commemorating Perot's folk-hero status got considerable airplay. It seemed to speak for the feelings of many Americans:

*When it came to a showdown in oil-rich
Iran*

*We wound up with our pants down
Without a hope or plan...*

*Where are you now that we need you, Ross
Perot?*

Every time Perot makes a public appearance these days, people are looking to him for a hope, a plan. The day after the failure of the U.S. commando rescue mission, *The Dallas Morning News* ran a story that was headlined, in apparent astonishment, PEROT NOT CONSULTED ON RAID.

Tonight, down at Table 45 on the floor of the crowded ballroom, the talk is about Perot, and the hope is that the government will wise up and let him set things straight in Tehran.

"They oughta just let Ross Perot and the Texas Rangers take care of that whole situation," one corporate executive advises.

The wife of another—a Steak n' Ale franchiser, I think—is moved by the sense of loyalty Perot demonstrated when his employees' lives were at stake.

"He didn't just abandon them to their fate and say 'Tough luck,'" she says. "What other company president would

risk his life to save his employees?"

She has put her finger on the source of the emotional response Perot's private rescue raid aroused. Few Americans these days look to large institutions, public or private, for heroic, chivalric gestures. Few expect loyalty, much less rescue, in exchange for their services or their taxes. Such notions have a ring of feudal romanticism to them.

And yet rescue is on our minds. Failed desert rescues. Candidates crusading to rescue the American dream. "Emotional Rescue," the title song of the recent Rolling Stones album. Movies about body-guard fantasies. We long for the kinds of social relationships that ensure that someone will save us in our hour of need. There's a word for a social system that offers such solace to its vassals: feudalism.

And it is to a future of corporate feudalism that Perot's gesture points us—a future already taking shape in Japan, where employees sing anthems to their corporations and look to them for the patriotism, loyalty, security, and sense of family that nation-states and nuclear families no longer provide.

Perot is building his corporation for this kind of future. Behind what one Perot executive calls "our big mysterious gates," behind his corporate castle walls, he has established a manor and grounds that offer his employees a twenty-four-hour work and leisure environment. In return for fealty, in return for an oath not to violate certain rules of livery and courtly behavior—the dress code and the taboo on marital infidelity, for instance—employees become part of a multinational corporate family with a sophisticated paramilitary rescue capability. In the anarchic future, the new corporate baron will have to be both patriarch and warrior. Samurai chairman of the board.

The speeches are over now; the Distinguished Business Leadership Award for 1980 now in Perot's possession will join the scores of such honors he's accumulated for his civic and charitable contributions. Dinner adjourned, he steps down from the dais to greet the dozens of worshipful young business students who have surged forward to seek the press of his flesh and perhaps a piece of his mind.

For in addition to Ross Perot, corporate commando, there is Ross Perot, American philosopher. His are not the knee-jerk right-wing reactions of your average Texas tycoon. He thinks complex and serious thoughts about the individual and society—about values, the meaning of loyalty, the secrets of success. Frequently his thoughts crystallize in the form of folksy epigrams and metaphors. Among his favorites are these:

Ross Perot thinks
about the
individual and
society—about
values, the meaning
of loyalty, the
secrets of success.

"There aren't many hunters, but everybody wants the meat."

"Eagles don't flock; you have to find them one by one."

"When you need a job done, you get together a small team and go with them all the way."

"You need a guy [on your team] who's tough. When his nose is wrapped back around his ear, he doesn't fold up on you."

"Wealth is like Halley's comet..."

"Life is like a cobweb, not an organization chart."

"Failures are skinned knees—painful but superficial."

"An activist is the guy who cleans the river, not the guy who concludes it's dirty."

I wanted to talk philosophy with Ross Perot. I was particularly eager to check out something I had read while preparing for my trip to Dallas: a suggestion that Henry Ross Perot's favorite philosopher was none other than Henry David Thoreau.

A fascinating paradox. The feudal baron of big-government computerization, who enforced a dress code for his subordinates, enamored of that most unrelenting of individualists? A go-getting multimillionaire fond of the ascetic who denounced "the commercial spirit"? Had Perot perhaps achieved some synthesis of Thoreauvian individualism and silicon-chip standardization?

But when I approached Perot's press spokesman with the idea of exploring these and other matters, I was told that the busy businessman was not making himself available for such a discussion. The spokesman told me he'd fill me in on the facts about the boss and take me into the computer castle. "But as to what he thinks about the phases of the moon and the like," he said, "we're not inclined to do that kind of interview."

So I took advantage of Perot's postbanquet descent from the dais to press my question about Thoreau. The computer commando stood chatting affably with the eager business students. He is a short, powerful-looking guy who still holds himself in the ramrod-stiff posture he was taught at Annapolis. In fact, he has about him an aggressive naval bearing—the brisk, bristling presence of a high-powered PT boat.

Piloting my way through the flotilla of finance majors surrounding him, I came up alongside Perot and asked him, "Is it true you're a big admirer of Thoreau?"

"Yes, it is true," he said. "I had to read *Walden* three times. There was a line in there that changed my life."

"How did that happen?"

"You know that line about the mass of men living 'lives of quiet desperation'? There was a time when I identified with that."

"What kind of desperation were you feeling?" I asked him.

"Well," he said, "at the time, I was working as an IBM salesman, and they put a ceiling on the amount I could earn."

"And so you were reading Thoreau and—"

"No, actually, it was just that quite by accident I came across that one line in a *Reader's Digest*—"

"And that changed your life?"

"I knew I wouldn't accept that limit."

Let's look at Ross Perot at his moment of quiet desperation. Because it was back then, in 1962, that he put into action the idea that would make him a paper billionaire by the end of the decade.

He was thirty-two then, and, as a rising star among computer salesmen in Dallas, he'd already come a long way from his Depression childhood in Texarkana, Texas.

Still, he brought a goodly part of Texarkana with him. The Texas part. You see, when Perot was growing up back in the Thirties, right after Repeal, local option kept the Texas side of Texarkana dry and sober—officially, at least—while the Arkansas side went wet and wild. Texarkana was more than two states; it was two states of mind. Perot grew up on the Texas side.

From the beginning he performed Texas-sized prodigies of Algeresque effort: the childhood newspaper route he built into a big business, the bruising hours he put in breaking horses for his father (a horse trader and cotton broker), his swift ascent to Eagle Scout, to student council president in junior college. "Ross was always a doer. He always had something going," his older sister, Bette, has said.

After bootstrapping himself from junior college to an appointment to the U.S.

Naval Academy at Annapolis, he served four years on a carrier, where he got himself positioned as greeter of visiting VIPs. It was in that capacity that he met and impressed an IBM exec who was touring the ship. Before long, he decided the pace of advancement in the military was too slow for his ambition; he quit the Navy and signed on with IBM. Pausing briefly to marry Margot Birmingham, a woman he had met on a blind date at Annapolis, Perot plunged into the frenzy of the first-generation computer-sales boom of the late Fifties. It was a fast track, especially in the data-intensive insurance and banking center that Dallas had become, but he soon lapped the field.

He outstripped the other hotshots on the IBM sales force so far and so fast that he caused IBM to impose a yearly quota on the commissions an individual salesman could make. According to Perot, he exceeded his yearly quota for 1962 on the nineteenth day of that year. He had nothing to do but kill time. Wait perhaps for reassignment.

Not our boy. He killed time by devising a killer of an idea: "facilities management." It doesn't sound as glamorous as solid-state telemetry, microprocessing software, or manganese nodules. And it wasn't exactly a brand-new idea; but it was, at the time Perot went to work on it, an idea that had yet to be exploited.

He tried to interest IBM in letting him develop his dream, but the company lacked the vision to see its potential. And so, with a prod from Thoreau and just \$1,000 of his own capital, Ross Perot quit

He has about him
an aggressive
naval bearing—
the brisk,
bristling presence
of a high-powered
PT boat.

his secure IBM post and formed a corporation called Electronic Data Systems.

To understand the magic of Perot's idea, you have to understand the situation in the computer industry at the time EDS was formed. All over America, corporate ex-

ecutives were being talked into buying and leasing computers they didn't know how to use. They were sold on the technological dazzle, and they didn't want to be left in the dust by computer-equipped competitors, but most of them really didn't know how to take advantage of computers profitably once they got them in their offices.

The idea H. Ross Perot began pitching to computer-wary corporate decision makers was: Don't buy any computers. Don't train any experts. Let me and my staff of crack computer aces become your data-processing department. We'll send our people in to analyze your needs and devise the most profitable system; we'll make the leasing arrangements, install the hardware, and install our experts to manage the software. You sign a long-term contract with us to manage your facilities and turn the key over to us. Then forget it, and we'll just feed you whatever information you ask for. Start profiting from computer applications and efficiency now, not after a decade of trial and error on your own.

It took a while, and it took some super salesmanship on Perot's part, but a lot of companies bought it. They bought more than the service, more than Perot's rapidly growing reputation for efficiency and integrity; they bought a mystique as well, the mystique of Ross Perot's computer commandos.

He didn't call them computer commandos, of course, but the intense training, the loyalty, the cohesiveness, and the uniform dress of the corps of operators and applications experts he began to recruit were the keys to the success of facilities management. They'd come into the host company dressed in dark suits, white shirts, and solid-colored ties. They spoke a language only they could understand. They were as soft-spoken and somber as their uniforms. They kept silent about company cash-flow problems and stayed away from the secretaries. Almost monastic in their devotion and chastity, obedient as Empire Droids, they were warrior-priests of the new computer-worship religion. Their sudden advent could be frightening to unsuspecting employees.

"Men appeared in dark suits," a data-processing employee of California Blue Shield told a reporter after EDS took over his department in 1971. "We were told that EDS had taken over and that we were all working for them. The dress code was explained: no facial hair, beards, moustaches—they all had to go. If you didn't go along, there was no place for you. Either you signed the new contract by the next day or you had to leave the premises... and all the time they had a security guard thrown around the computers."

Of course, EDS wasn't always like that. For some years, at least, it was a drive-by-night operation. Perot didn't have the capital for a bank of his own computers, so

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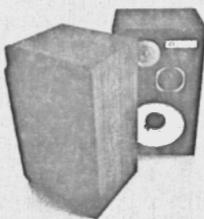
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EDS was often forced to rent unused time from other corporations' hardware. Sometimes employees would end up driving around in the small hours of the morning with a trunk full of a company's paperwork, looking for an idle computer on which to process it, buying the discount downtime in wholesale volume for the input, selling the output back retail.

But in 1965, with the establishment of Medicare, the government created a data-processing boom, and Perot shrewdly cracked the market. He began in Texas as a subcontractor for Blue Cross/Blue Shield, then began to expand to work for "the Blues" in one state after another. Soon he was a prime bidder in the private-sector health-insurance business, too. EDS mushroomed along with the welfare state, and in 1968, in the course of one week after taking the company's stock public on the New York Exchange, H. Ross Perot became what *Ramparts* would later call "America's first welfare billionaire."

Beware of all enterprises that require new clothes.

—HENRY DAVID THOREAU

The topic is marital infidelity. We're seated in a top-floor office of H. Ross Perot's corporate castle in North Dallas. Swans glide on the surface of the moatlike fishpond beneath us. Seventy-seven acres of carefully sculpted hills and fairways roll away beyond the pond.

Once these were the grounds of an exclusive country club. The pistols dangling from the belts of the guards at the gates indicate that the exclusivity is now more strictly enforced. So are other rules of behavior. For those who work behind the protective embrace of those "big mysterious gates," there are bounds of conduct strictly delineated by the lord of the manor.

I had heard that long ago Good King Perot, a great believer in the values of traditional family life, had decreed that any of his subjects caught fooling around could be summarily banished from the realm. I asked the spokesman if it was still company policy to fire people for marital infidelity.

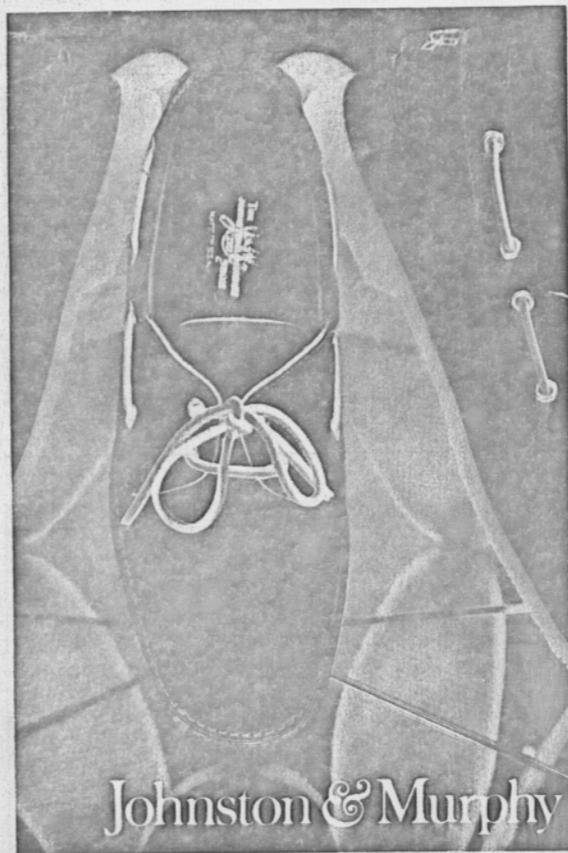
"I would think so," he said.

"Wouldn't enforcement of such a decree require snooping on employees' private lives?" I asked.

"I don't go out snooping on employees, and I don't think anyone does," he declared.

"Then someone would have to come telling tales; otherwise, how would you find out?" I persisted.

"I don't think anyone is out looking for marital infidelity. I think if it became so prominent you were aware of it, you'd



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probably have had many other problems with that individual."

Another kind of fidelity is demanded from employees: to their corporation. The fortunate few chosen by EDS's elite corps of recruiters go through a notification-and-decision procedure that recalls the intensity and solemnity of a secret society tap. Candidates are given just a short time to accept or reject the EDS offer and are told that they will never again be given a similar opportunity in their lifetime. (These tactics are designed to discourage applicants from taking an offer from EDS and using it as leverage to shop around for better offers elsewhere.) If they accept, the contract they sign forbids extramural negotiating with other computer companies during and for several years after their service at EDS. EDS has slapped ex-em-

The bowels of EDS are humming with the drone of digital digestion. No human attendants are needed here.

employees with lawsuits for violating the letter of this provision—and won.

Then, for the apprentice commando, there is the training program. It is not surprising that H. Ross Perot, a product of Annapolis, should have created for his recruits a kind of computer academy, with its own intensity, discipline, and uniform.

"The first day you're there, if you can't figure out the dress code," one relative of an ex-EDS employee told me, "they'll take you aside and tell you the name of a tailor in town who will give you the EDS look." Perot once explained that look as "camouflage for the corporate jungle." "Our people work in other people's offices," he said, "and we've got to be able to blend into the woodwork."

"We still enforce it," the company spokesman confirmed. "It's not as strict as it used to be; we permit moustaches, but still no beards. But it's more a question of attitude. If this kind of thing causes someone enough of a problem that they need to

make an issue over it, that says something is wrong—something is negative about their attitude in the first place."

It's been said that the training and tailoring turns Perot employees into "squeaky-clean clones"; others remark that the Perot computer corps has a paramilitary look to it.

I must admit that the Perot spokesman I'm speaking to up here on the executive floor does look eerily like a clone of Perot himself: short, energetic, with the bristling enthusiasm of the ex-military man. But he assures me: "It's a myth that all people here are ex-military. It's true we did a lot of hiring during the Vietnam War; we were looking for people with maturity, and one thing you can say about someone who's been through Vietnam is he's got some maturity. But after the war was over, that source dried up, and we turned back to the campuses."

As for the military-looking security that surrounds the computer castle, the spokesman explains, it's like the noncompetitive clause in the contract: "It's as much to protect our trade secrets and the trade secrets our customers entrust to us as it is to protect us. We've got a lot of private, protected, secret data down in the storage banks, and we can't allow people to be just spirited out of the bowels of our operation, for good reason or bad."

A few minutes later we are in the bowels of the computer commando headquarters. The three-story computer center has a vast subbasement dungeon for disembodied data, guarded by an Argus-eyed security computer. My guide inserts a coded plastic card with his picture on it into an electrosensitized slot monitored by the computer. The computer cop "interrogates" my guide, who is then required to punch in his personal code. At last the door slides open.

The bowels of EDS are humming with the drone of digital digestion. Billions of bits of information, the electronic residue of hundreds of thousands of human transactions, get processed, sorted, and stored here. No human attendants are needed on this floor filled with huge disc drives, machines that tremble with the ghosts of flesh-and-blood encounters waiting to be summoned to life again. It's a relief to ascend from this vast eerie limbo to the "main brain" floor, as my guide calls it.

It's the action floor, the place where, my guide says, "we receive data from terminals all over the country; we massage it and shoot it back to them."

All this massaging and shooting is carefully coordinated from the Teleprocessing Control Center. Through a wall of glass we can see dimmed lights and the subdued glow of instrument dials. This is the sanctum sanctorum. We're not permitted to enter; nothing is allowed to disturb the intense concentration of the computer commandos within. But just by gazing

through the glass one can sense the tension, the aura of grim vigilance that prevails. A map of the United States dominates one wall of the control room. Superimposed on its surface are clusters of the ganglia that link computer terminals all over the nation to this and to four other regional command centers across the country.

In this chamber, at the center of this web, are the two pilots, or "drivers," as my guide calls them, who sit at elevated consoles. "What we have going on now," the guide explains to me, "is that all over the map you've got bank tellers putting information into their machines about deposits and withdrawals, you've got savings clerks, you've got insurance claims people pumping claims through the system. You've got all these transactions going on, coming through this center."

The job of the pilots, who can be seen occasionally whispering commands into the microphones mounted on their twin consoles, is to coordinate the frenzied flow of questions and answers zapping in and out—to act as computer traffic controllers, making sure that access to the memory banks is open to the proper requests and that tasks are shifted and shunted so that the neural pathways of the command center don't overload.

So sensitive is the task of the two pilots that they are assigned a Watcher. The Watcher does nothing but stand behind the two seated pilots and watch them watch their consoles, listen to them issue verbal commands for data-flow direction, make sure nothing is permitted to distract them, and see that no irremediable mistakes are made.

We stood and watched the Watcher watch. His attentiveness was unwavering, almost unnerving, in its wired-in intensity. Total commitment.

In exchange for that total commitment, the computer commando gets a total environment here at headquarters. My guide leads me up out of the bowels, through a lobby dominated by a fierce, larger-than-life wooden sculpture of an eagle (totem bird of the chairman of the board), out into the green pastures of the grounds, past the twin swans, and up a gentle hill to the employees' country club facility—golf course, clubhouse, locker room, patio, and pool.

Several off-duty computer commandos and auxiliaries are sunning themselves around the pool. The corporation likes—encourages—employees to spend as much leisure time as they want behind its mysterious gates, to spend as much of their private lives as possible within the secure enclosure of the corporation, safe from the temptations of the insecure world outside.

The growing inclusiveness of life on the

corporate manor here is a refutation of the thesis of futurologists such as Alvin Toffler, who argue that the computerized "third wave" of technoevolution will mean a new, looser relationship between corporation and employee: the latter will be free to work in a satellite office incorporated into his home—his decentralized computer-equipped "electronic cottage." Here, instead, we have the centralized elec-

People perceive in
his escapades
the taint of self-
interest. They
don't understand,
protests
Perot's spokesman.

tronic castle and employees who are encouraged to pursue their home life in the central office. You hear stories in Dallas about marriages that foundered because hard-driving EDS executives set up housekeeping in the electronic castle, leaving their wives alone in their cottages.

Back upstairs in the executive corridor, the spokesman and I are examining a strange Norman Rockwell painting, one of Perot's prized possessions. Perot is a collector of Rockwells and of "anything that's traditional and American," his spokesman explains. This year he acquired *The Spirit of '76*, the famous Gilbert Stuart painting that was about to be sold—abducted from America by foreign buyers—until Perot bought it. I asked the spokesman about a recent report that Perot was going to rescue the Stuart portraits that the Boston Athenaeum was selling to the National Portrait Gallery.

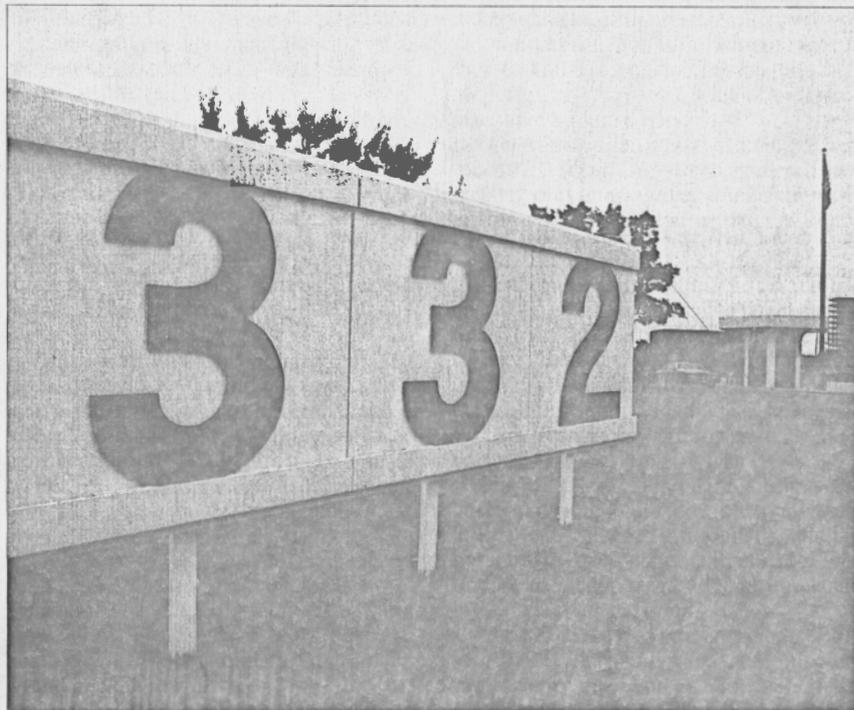
"Not true," the spokesman tells me firmly. "He already has a Stuart."

But he can't get enough Rockwells. He has some familiar ones—Daddy getting caught changing into his Santa Claus suit, the haircut, and some Boy Scout classics, but this one we're examining now is totally unfamiliar to me and has, in fact, a weird cynical edge you never saw in *Saturday Evening Post* Rockwells. At the bottom of the painting is one of Rockwell's typical grinning freckle-faced kids, but sprouting out of the top of his head—and occupying

most of the length of the painting—is an elaborate two-sided family tree. One tree is filled with generation after generation of heroic figures—the kinds of heroes Americans like to think their ancestors were. The other side consists of criminal or demonic parodies of those hero figures. For every smiling cowboy, there is a sneering Indian renegade; for every dashing naval commander, a leering, gore-smeared pi-

that prides itself as the "Rose Capital of the World." Back in 1978, certain elements of the Tyler law-enforcement establishment became concerned that drugs were corrupting the flower of the rose capital's youth.

Enter Craig Matthews, free-lance undercover agent. The Tyler police department put him on the payroll to help clean up the town. According to a *Dallas Morning News* exposé



At EDS's entrance, a record of the number of days the American hostages have been held by Iran.

rate; for every Clara Barton or Betsy Ross, a barmaid or a woman of easy virtue.

"That's an unusual one, isn't it?" the spokesman said. "On the one hand, you've got what people like to perceive, and on the other, the reality. And there's always a barmaid buried somewhere."

Perception and reality. It's a problem that plagues Perot. He's constantly being misunderstood, his spokesman says; his grandest gestures have gone unappreciated because people perceive in his swash-buckling escapades the taint of self-interest. They don't understand, he protests, that central to Perot's actions is a profound sense of loyalty.

Take, for instance, the dark and tangled doings last year in Tyler, Texas—the twist of fate that brought the computer commando together with a small-time team of hired narcs and pitted them both against a purported "trained assassin." Here the workings of loyalty are complex and easily misunderstood.

Tyler, Texas, is a quiet East Texas town

that appeared later, Matthews had run into difficulties with two Dallas-area police departments that had employed him before he came to Tyler; there had been questions about his own drug use. Although Matthews denied being a drug user to the authorities, he seemed to put on a convincing performance for some of the unsuspecting citizens of Tyler.

The youthful-looking narc got himself a bartending job, imported his attractive policewoman fiancée, Kim Ramsey, and put her on the Tyler police payroll, too. The undercover couple did a lot of entertaining, made a lot of friends.

The raids began on the morning of April 25, 1979. When they were over, one hundred twenty-one people, some of them the children of Tyler's leading citizens, found themselves jailed on drug charges—mostly for minor transfers of pills and cocaine. Matthews admitted to mixed feelings about those whose friendship and loyalty he had betrayed: "I have built a lot of close relationships," he was quoted as saying, "with people that under other circumstances I would have considered real good friends."

Meanwhile, H. Ross Perot, fresh from the success of his Iran rescue, had taken

on a new crusade. He was rampaging across the state whipping up sentiment for a war against drugs and the lax moral climate he said encouraged drug abuse. As newly appointed chairman of the Texans' War on Drugs Committee, he pushed for sweeping new wiretap powers for narcotics officers and lobbied for a system that would rate judges according to the severity of their drug sentencing. He even proposed a comprehensive computerization of drug-enforcement data, a solution some suggested had a hint of self-interest in it.

And then, in September 1979, a shotgun blast brought Perot and the two Tyler narcs together. On the morning of the fifteenth of that month, in a trailer park on the outskirts of Tyler, Craig Matthews and Kim Ramsey, partners and now husband and wife, were relaxing in their mobile home after a hard summer of testifying against their Tyler friends. Some evidence later presented in court implied that the narcs were smoking marijuana in a device called a Power Hitter when an unwelcome visitor disturbed their tranquillity. A shotgun blast from close range hit Craig Matthews, wounding him seriously.

It was Ross Perot to the rescue again, and suddenly strange things began to happen in Tyler's Courthouse Square. The next time officers Matthews and Ramsey appeared at the courthouse to testify, they were accompanied by a grim-faced commando team of dark-suited, walkie-talkie-equipped, no-nonsense bodyguards. They accompanied the controversial witnesses everywhere, not content to leave their side even when they entered the judge's chambers.

Who were these armed men in the judge's chambers? They weren't local police, they weren't state or federal police. They were H. Ross Perot's police. Paid for out of his own pocket and operating on his own orders.

But there was more to the Perot connection than that. When Kim Ramsey was asked in court if she had discussed her testimony before trial and, if so, where, she replied that she had rehearsed her story with prosecutors at H. Ross Perot's EDS headquarters and that he had provided her a "safe house" for protection.

Perot then issued a melodramatic statement: "I met Officers Ramsey and Matthews by chance after he had been shot. They badly needed protection. It was not available. I gave it to them. An experienced underworld executioner has been hired by a national crime figure to kill narcotics officer Kim Ramsey ... a trained armed team is now protecting both officers.... This same level of protection is available to any law enforcement officer in the state of Texas, facing the same problem."

Perot wasn't offering to protect just Ramsey and Matthews; he was offering to

field a private standing army for *any* officer in the state of Texas with "the same problem."

It was a breathtaking gesture, and it clearly represented one more step toward the New Feudal Future, recalling the rise of private armies in the fourteenth century after plague and war left traditional authorities unable to protect their subjects.

Why would Ross Perot enmesh himself so deeply, so personally, in such dirty business? Why would Perot, who places such a premium on loyalty, choose to champion a couple of small-time informers whose profession it is to make friends and betray them?

Perot is a man with his own exacting and precise definition of loyalty. Part of it was shaped at Annapolis, where the honor code encouraged informing on friends for the welfare of the corps as a whole. Part of it must have come from the experience of growing up in Texarkana, where the state line runs right down the main street and where there were wide-open bars on one side of the street and furtive illegal bootleggers on the other. The lesson to be learned was that virtue resides not in what you do but in what side of the street you do it on—a doctrine that countenances lying and disloyalty if it's done on the side of the law.

But there's something else about the narcs that particularly appealed to Perot's sense of honor. Like the POWs, these people were paid by society to do a dirty job, then were abandoned or forgotten when the dirt began to spatter, leaving no one but H. Ross Perot to ride to their rescue and honor the obligations of government to its loyal servants.

But the high drama of the narc rescue was soon eclipsed by the low comedy of the great helipad debate, thereby obscuring abstract questions of loyalty and virtue.

It started with a simple request for a zoning variance. In the wake of the Tyler "hitman" headlines, Perot petitioned the Dallas City Planning Commission for permission to build a helipad on the grounds of his North Dallas estate. Perot's attorney cited "threats he has received as a result of his work on behalf of the special commission on drug abuse" as compelling reason for ensuring copter access to his front door.

There goes the neighborhood, complained J. F. Bucy, whose estate in the exclusive section lay next to Perot's and who also happened to be president of Texas Instruments. At the planning board meeting held to consider the Perot variance plea, Bucy claimed that the proposed copter base would create, rather than solve, security problems, that it would "turn the neighborhood into a shooting gallery." He suggested that Perot would

be better off getting himself an armored car if he was so worried about his safety. Perot's spokesman at the planning board didn't rule out the armored car option, but he argued that even if you've got an armored car you need a helipad, too: "In any security situation, what you want is alternative modes of transportation. Any mode of transportation is capable of being shot down, whether it's a car or a tank."

The head of the Dallas planning commission was dubious about the quality of Perot's strategic thinking: "He was ... asking for a heliport that could be seen from the road, where everyone could see when it was landing and taking off. You can shoot down a helicopter with a twenty-two."

The City Planning Commission shot down the helipad plan.

Why would Perot enmesh himself so personally in such dirty business? Why did he champion a pair of informers?

This diverting spectacle of two multimillionaire computer barons jousting over security tactics for their adjoining castles provoked much amused and cynical comment in Dallas, diminishing somewhat the folk-hero reverence that had accrued to Perot since his Tehran triumph.

Some suggested Perot really wanted the helipad so that he could cut down his commute when EDS moved to its new suburban headquarters. Some saw it as the move of a man overinfatuated with the commando way of seeing things: how could he be the Westmoreland of the war against drugs if he didn't have a helicopter to reconnoiter the fire zones?

Misunderstood again, Perot's spokesman complained. Here was the boss, risking his life traveling all over the state, unpaid, on his own time, trying to rescue society from subversive substances. And look how he was rewarded for his loyal and devoted service, for being the paladin of the unprotected police informer. Society wasn't even decent enough to give him a zoning variance.

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While Perot was dreaming of making rotary connections between his office and house, thousands of Illinois senior citizens were waiting in anguish for Medicare reimbursements that were long overdue because of the sad performance of one of the companies that has made Perot rich....

—JEFF LYON, *Chicago Tribune*

The great computer-contracting battle in Illinois was not, on the surface, as sensational as either the hired-assassin escapade or the "shooting gallery" farce. But the complex combat in the tangled jungle of the federal welfare bureaucracy turned it into the most difficult rescue mission Perot had ever attempted.

At stake were both the reputation of the computer commandos for peerless efficiency in their field and Perot's vision of EDS as a health-insurance-industry conglomerate. Perot had often boasted that private profit-making companies could do the work of the nonprofit Blues if given the chance to bid for their contracts.

Early last year an EDS subsidiary bid \$41.8 million for a five-year contract to run the Illinois Part B (physician cost) side of Medicare—underbidding by \$40 million two large insurance companies, Prudential and Metropolitan. Some wondered how Perot could make money at this extraordinarily low bid. Was he just out to get the contract at any cost, prove his point about his capabilities so that HEW would award him more of the lucrative Medicare contracts? Whatever his motives, the whole thing blew up in his face.

The computer commandos moved in on the Illinois job in April 1979. In six months they had sunk up to their nostrils in a quagmire of unprocessed paperwork the like of which had never been seen before. The backlog grew to 454,000 unprocessed claims, and even on claims Perot's commandos did manage to get out, the error rate was a staggering 25 percent; in other words, on the average claim, one out of every four items of information was incorrect. Although some of these mistakes (address misspellings and so forth) didn't affect the rate of payment, the errors that did affect payment were two or three times more numerous than those of comparable companies in other states.

In the quarterly review periods for the first year of operation, EDS failed the five major performance-standard tests every single time. At the end of the first year, the company failed so badly that it had to pay contractual penalties amounting to almost \$700,000. Worse, EDS computer errors were driving masses of aging Social Security and disability dependents to lives of terrible desperation.

By late last year a public outcry had led to full-scale HEW and General Accounting

Office investigations and a Congressional Health Care subcommittee inquiry. Pressure was growing to develop contingency plans to kick EDS out if the company's performance showed no improvement.

What went wrong? If the Illinois battle turns out to be the decisive defeat for Perot's empire, his Waterloo will have been a little town in Illinois called Des Plaines.

The computer commandos were hit by a bombshell: a threat to the Texas Medicaid contract won by Perot in 1977.

EDS claims its planners did no fewer than three comprehensive site-location studies for the Illinois project, and each time "the numbers" told them unequivocally: build ye your headquarters in the town of Des Plaines.

Now they call it "the worst management decision" they ever made. "It was a bad one," a somewhat shell-shocked EDS spokesman told me. "We ask ourselves how that could happen." He conceded some extraordinarily elementary mistakes for a company with a reputation for sophisticated computerized decision making. He said the planners failed to look at the actual employment statistics in suburban Des Plaines, using instead statistics for the greater Chicago area. Then EDS arrived in Des Plaines and found that the town had almost no unemployment, no one looking for the four hundred jobs the company had to fill in order to start processing claims. When it turned elsewhere in the area to hire, it found itself defeated by an elementary fact of the Chicago transit system.

"In spite of the fact that we had worked in Chicago previously, we failed to recognize the impact of not being directly on the train lines," the spokesman admitted. "If you know much about Chicago, you know you can go from any suburb into the city and back out very efficiently, but if you want to go from one suburb to another suburb, forget it—it gets very difficult." Humanists can't help being cheered at

this evidence that such obvious considerations could so completely elude not one, not two, but three management studies by the most sophisticated computer-applications company in the business. But unfortunately there are disheartening human costs involved in the EDS pratfall. "The terrible thing is that a lot of these old people are just giving up after all the delays," says Nancy Sonis, an aide to Illinois congressman Paul Simon, who has been working directly with complaints from beneficiaries EDS is supposed to serve.

From the beginning, EDS statements on the Illinois crisis have had that light-at-the-end-of-the-tunnel flavor to them. The company claimed victory in December 1979, only to see its claims backlog soar again in the first months of the new decade. Again, in June, it declared it had "turned the situation around." Hardnosed analysts from the Government Accounting Office have their reservations about this latest victory claim. They are worried about the high percentage of "contaminated data" still lodged in the bowels of the computer's stored memories—erroneous bits of information that could infect and contaminate the accuracy of future Medicare calculations. One GAO analyst said recently that EDS was still going through a long and costly process of trying to "purify" the contamination. It sounded like the Three Mile Island of bureaucratic disasters.

Still, the bureaucrats in charge at HEW decided they had little choice but to accept EDS's claim that it had regained control of its data: replacing EDS, they told Illinois legislators, might lead to delays that would prove too much for the strained nervous systems of the bureaucracy and the elderly it is supposed to serve.

*There's no success like failure,
And failure's no success at all.*

—BOB DYLAN

The computer commandos had less than a month to celebrate their Illinois ceasefire when they were hit by a bombshell in their own backyard, one that rocked the EDS empire to its very bowels and brought the emperor himself rushing back to Dallas from an overseas vacation. On July 15 of this year, the Texas Board of Human Resources announced a unanimous 3-0 vote to take the expiring Texas Medicaid contract away from EDS and award it to a new lower bidder, the Bradford National Corporation of New York.

The Texas Medicaid contract, which Perot had won in 1977 by outbidding the Blues, had been the crown jewel of his empire. A \$2-billion cash flow came with it, and the profits from it constituted a full 12 percent of EDS's annual net income.

But after a six-month-long process of

specification, bidding, and analysis, it was the consensus of state actuaries and cost-evaluation consultants that Bradford would save the taxpayers \$25 million over the four-year period of the contract. It seemed the computer commandos had been beaten fair and square.

What happened next was perhaps extraordinary from a business and a bureaucratic standpoint, but for Perot-watchers it was just one more demonstration of commando tactics applied to business wars, another whirlwind rescue mission by the commando-in-chief.

A few days after the Human Resources Board voted to negotiate a contract with Bradford National, the chairman of the Texas board, a cattle farmer named Hilmar Moore, got a call at his ranch down near Richardson, Texas, from his old friend Mort Meyerson, the president of EDS. Meyerson and Perot wanted to fly down to Richardson to brief the board member in person about grave errors and misperceptions that had led the board to its mistaken decision.

Chairman Moore didn't think there was anything improper about a personal visit. In fact, he was excited about it. "After all," the chairman told me later, "the man had two employees in Iran when things got hot. He went into Tehran and got them out. What's the U.S. government been able to do? He also went into Vietnam, you know. He's just an impressive man. You know how he started out as a salesman for IBM, and..."

The awed regulator drove out to the airport and chauffeured Perot and the EDS president back to his ranch. There he listened while President Meyerson outlined the case against the board's decision.

They showed him "hard figures," the chairman said, that made EDS's bid seem lower—despite some percentage estimates that the professional actuaries had said would make it higher over the four-year length of the contract.

They told Moore that the difficulty of making a transition to a company from outside the state would make the first year even more costly than the low-bidding outsiders estimated. Chairman Moore found himself persuaded by this private presentation.

Perot himself didn't say much at all, Moore told me, but by the time he left the ranch Moore had been completely turned around. "I'm probably making the biggest damn mistake in the world, and Bradford will probably sue me," he later said. "But in spite of all the expert testimony, I personally believe EDS could do a better job. He's an impressive person," Moore said of Perot. "He insisted on being called Ross."

Personal visits to the two other board members produced similarly gratifying results. The board members called for suspension of the original decision, for a new hearing on the matter, and for an evalua-

tion of the award by a new set of outside actuaries and analysts.

According to *The Dallas Times Herald*, "the behind-the-scenes meetings raise the question of a possible violation of the state's 1976 Administrative Procedures Act prohibiting private discussions between board members and interested parties on matters involving contested cases." Perot's spokesman denied any impropriety and claimed that the Texas attorney general backed Perot's moves: "This is not a contested case," the spokesman said.

"If this is not a contested case," the Bradford president retorted, "then the Alamo was a friendly dispute." Nevertheless, the new hearings went forward, and this time the new outside consultants affirmed the original analysis and the decision to take the contract away from Perot.

Again the Bradford people celebrated, thinking that at last they had the contract won. But two days after the second hearing, two out of three board members, including Chairman Moore, announced that when a final vote was taken in August they'd been convinced that Texas was "better off" sticking with H. Ross Perot.

"This thing blew my mind," the president of Bradford told me in the aftermath of Perot's devastating counterattack. "Here you have six months of a highly sophisticated bidding process producing a recommendation, unanimous from two sets of experts, and Ross Perot is saying, 'Screw all that, just take my guarantee....' The whole thing is crazy.... If he wins, it's a travesty. Who the hell do you think will ever bid against him for anything in Texas?"

I asked the stunned executive if he'd ever met the commando leader.

He recalled a "bread and butter" discussion some years ago. "I had the impression that he's very competent, that he's much more computer-oriented than people-oriented. That he operates out of a mode—a method of dealing with his surroundings—that is uniquely his, and that he doesn't suffer deviations. He must be a powerful salesman.... I don't know, he's on a different level than I am."

Indeed, Ross Perot does operate on his own level—in his own mode, as the computer jargon has it. Suddenly, however, life at that level seems less serene, more troubled by turbulence from the realms below. I had the sense, the last time I saw Perot speak down in Texas, that the reverses and near-reverses had taken a toll on his optimism.

He was appearing once again in that same mirrored ballroom at the Hyatt Regency, although this time he was speaking before an audience of award-winning high school students and their families and teachers. A large curtain wall divided the ballroom, and glitzy waltz music seeped in

Although Perot announced to the audience that his subject would be success, it was not the celebration I expected.

from the wedding party on the other side.

The master of ceremonies struck a somber note: he retold the myth of Prometheus, dwelling on the pain the demigod suffered for his service to mankind, how he ended up bound and exposed to vultures eating his liver. Then he introduced Perot as a "Promethean patriot."

The little dynamo looked subdued that night. Although he announced to the audience that his subject would be success, it was not the upbeat, positive-thinking celebration I expected.

His words were filled with dark admonitions, spiritual allusions, and reflections on his own life. He spoke of the "angel of success," whose blessings were treacherous to trust "because staying on top is harder than getting to the top." He warned them against "the false god of money," against "the failures of human nature." I wondered if he'd been rereading Thoreau—and not the *Reader's Digest* condensed version, this time.

He told them to expect to be wounded in the struggle for success: "You're gonna get skinned up" out there, he said. He warned them of the anguish they'd suffer even when they thought they had it made: "A man is never more on trial than in a moment of excessive good fortune," he declared.

He even hinted that greater than success was a certain kind of failure, the triumph of "the man who fails while daring greatly."

He closed with that Teddy Roosevelt line once so beloved by a Watergate-embattled Richard Nixon. The only true success, Perot told his audience of eager young achievers, is the painful struggle of the "man who is actually in the arena, whose face is marred by dust and sweat and blood."

He did not make it sound as if being successful was any fun at all. ☉