

again. The theory is almost Calvinist; as Simon puts it, "The financial sins of a decade cannot be forgiven by one day of penance." Does this mean that the nation must accept higher unemployment in the short run to get lower inflation later? "Sure," says Alan Greenspan, chairman of the President's Council of Economic Advisers.

Slack: Other economists dispute this case, arguing either that the recent spate of price increases can be traced to special cases such as food and fuel or that there is so much slack in the economy that no amount of stimulus would add significantly to inflation this year. In this view, food prices and the expectation of another oil-price boost have created a base-price increase that will have to be paid no matter how fast the economy churns. Such liberal Democrats as Walter Heller and Arthur Okun even argue that the Fed should accommodate the wave of price boosts by pumping more money into the economy. If that were done, says one Washington economist, "you will get a slightly higher inflation rate. But at the same time you get a more rapid real-growth rate as well. You won't produce that much more inflation, and you get a lot more growth."

The official viewpoint, however, is still the one held by Herman Liebling, a staff economist in the Treasury. "This is bouncy enough," Liebling says. "My goodness, we could be getting an 8 per cent growth rate this quarter from a standing start in May. Why risk more inflation by stimulating more?" Liebling and his Japanese and German counterparts may well be right. But as long as they maintain that line, most countries face the grim reality of recession well into the coldest months of winter.

—MICHAEL RUBY with RICH THOMAS in Washington

BILLIONAIRES:

Look Alive, Howard

A good many folks have tried in recent years to smoke Howard Hughes into the open—and as one after another failed, the recurring suspicion has cropped up that the reclusive billionaire wasn't there at all. So last week I. Walton Bader, a New York lawyer whose client has filed a class-action suit against Hughes charging stock manipulation and fraud, persuaded a Manhattan Supreme Court judge to order Hughes to show cause by Sept. 17 why he shouldn't be declared legally dead.

Without such a declaration, the stock-rigging case could be dismissed because of the statute of limitations—and intriguingly, failure to serve Hughes with a summons could be taken as evidence supporting Bader's theory. A Hughes spokesman, however, said that the billionaire definitely is alive and that executives of his Summa Corp. would be able to prove it in court. How they would do it, he added, "is something I don't think they know yet."

Playing the Power Game

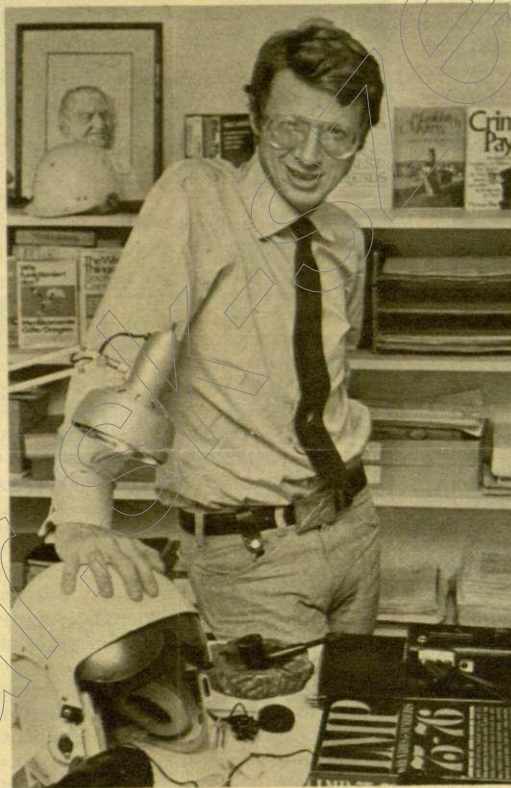
No matter who you are," Michael Korda maintains, "the basic truth is that your interests are nobody else's concern, your gain is inevitably someone else's loss, your failure somebody else's victory." In other words, modern life is precisely the same balance of interpersonal terror that ruled life in the jungle at the dawn of time, and the real prize of living is power. It is a bleak and loveless viewpoint, but it makes for a witty and occasionally fascinating book. Korda's "Power! How to Get It, How to Use It"

not its own reward, but a means to survival itself. Recounting a horrifying tale of the humiliation of an aging screenwriter by a Hollywood mogul, Korda warns: "The sudden violence and uncertainty of primitive life can hardly compare to the degradations of our society. A moment's weakness, and we are at the mercy of monsters, real ones too . . . Power is a means of protecting ourselves against the cruelty, indifference and ruthlessness of other men."

No mean power player himself, Korda is a vice president and editor in chief of Simon & Schuster and a friend of some of New York's hardest drivers. His book is uneven, with tediously overwritten patches and some thoroughly unsurprising advice; even novices at the power game need hardly be told to strive for corner offices, avoid answering their own telephones and force office visitors to face the window. But at his best he has a penetrating eye, a relish for tactics and a gift for telling insights. Power can be demonstrated, he says, by playfully touching people who can't touch back; successful executives don't climb ladders but expand their area of control; "politeness is often a sign that the person who is talking to you has already decided what to do."

Throwback: In Korda's telling, the power game traces to the jungle and remains basically physical—an affair of domination and territorial control. It helps to be tall or have any overpowering feature—"General de Gaulle's nose or President Johnson's ears"—and it even helps to have a good bladder, since people who leave meetings early are seen as weak. Power spots are in corners where nobody can sneak up behind; in a meeting, power players maneuver so that rivals sit to their left—throwback to the days when it was easiest to use a dagger on a man in that position.

Every gesture is telltale: a good power player never bites his lip, turns his toes inward, hunches forward in conversation or fidgets in his seat. And territory, in the physical sense, is often the name of the game. A power player with a small office squeezes his visitor into the smallest possible corner of it; with a large office, he forces a visitor to run a gauntlet of obstacles to reach the desk. Even in meaningless ways, good players automatically try to dominate the terrain. At lunch, Korda says, one of his friends "gradually moves his pack of cigarettes,



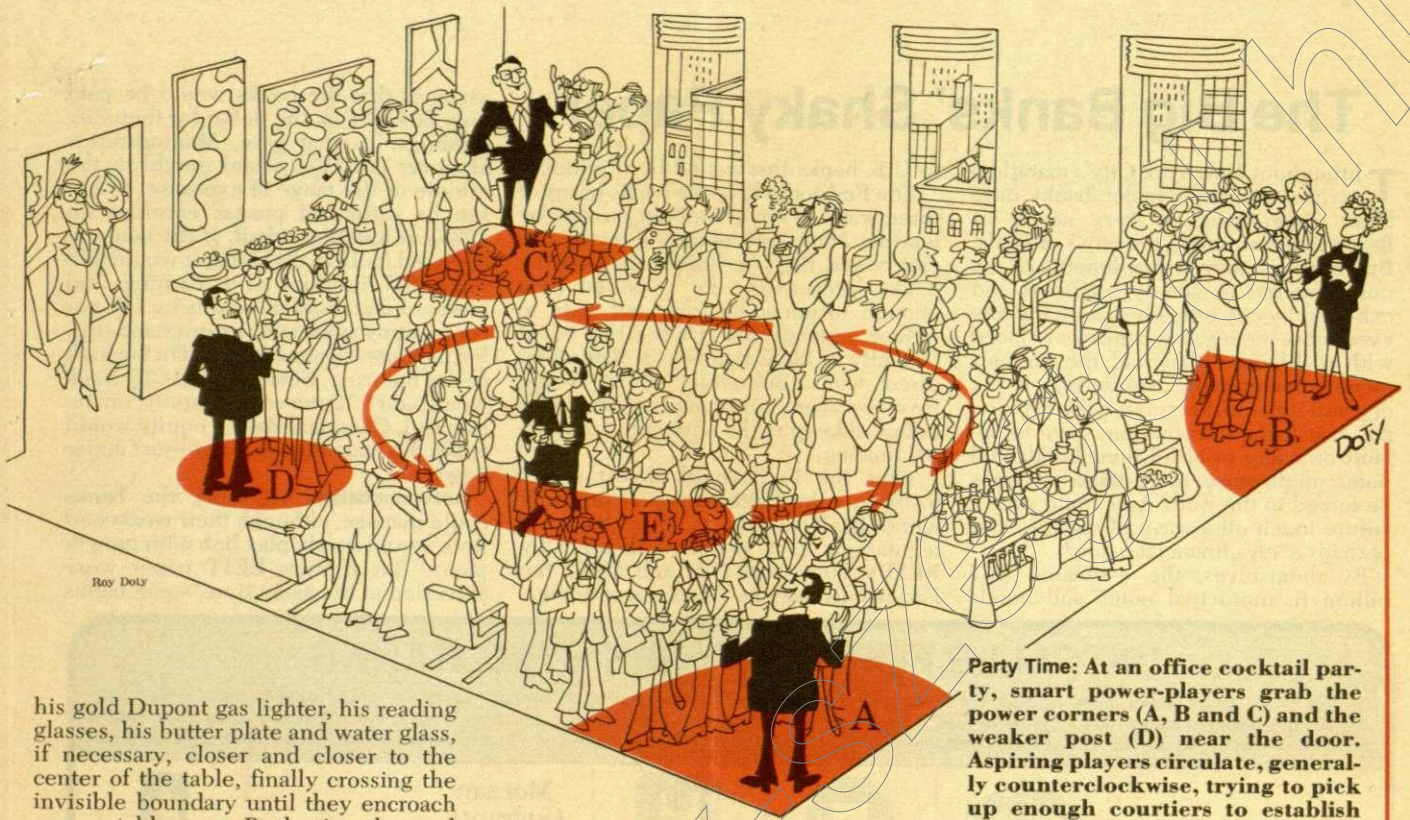
Robert R. McElroy—Newsweek

Korda: A relish for tactics, an impassive 'Mmmm'

reads much like a collaboration between C. Northcote Parkinson and Niccolò Machiavelli.

Skilled power players, he says, are in action 24 hours a day and play against everyone—their bedmates, headwaiters, traffic cops and fellow workers, "instinctively trying to control every situation." But the arena where the game is played hardest tends to be the corporate world, and in Korda's modern corporation wealth is no longer the goal or even the goal to performance: "It is the desire for power that keeps most people working." In most companies, he says, the power games are at least as important as the nominal work of the firm. And power is

*268 pages. Random House. \$8.95.



Roy Doty

Party Time: At an office cocktail party, smart power-players grab the power corners (A, B and C) and the weaker post (D) near the door. Aspiring players circulate, generally counterclockwise, trying to pick up enough courtiers to establish stature (E), while weaklings post themselves near the bar or slump dispiritedly into chairs. At an imperceptible signal, the established players leave their posts (diagram below) and converge near the bar.

his gold Dupont gas lighter, his reading glasses, his butter plate and water glass, if necessary, closer and closer to the center of the table, finally crossing the invisible boundary until they encroach on your table space. By the time the meal is served, he has you surrounded . . .

The trappings of power are important, and Korda devotes a good deal of space to the uses and joys of limousines, expense accounts, restaurant table phones and the proper shoes ("You can't put Guccis on Florsheim feet"). But these are more rewards than tactics in the power game; far more important in winning is to maintain self-control and appear to know more than you really do. "By carefully cultivating silence and reticence," Korda advises, "it is possible to build a valuable reputation as a person who knows a great deal and has probably been pledged to secrecy by some higher authority." The proper response to most office gossip: an impassive "Mmmm."

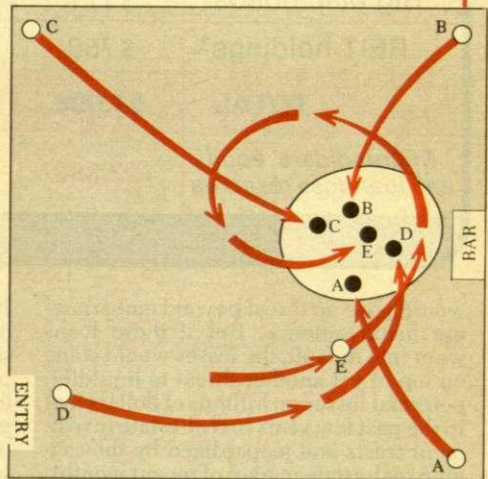
Flunkies: The one indispensable tactic in the power game is to understand what's happening—and Korda is at his funniest and most penetrating in describing a typical office party. People who have power, he says, "usually arrive late and seize a corner for themselves if they can. Those who are unsure of themselves tend to stand near the door or by the bar . . . since this way they are in the flow of traffic and are almost bound to be greeted." Intermediate players try to develop a cluster of courtiers in a secondary power spot, gathering the insecure near the door or in the group that eddies, usually counterclockwise, around the center of the room. These players hope to grab a corner if one of the incumbents has to take a telephone call or go to the bathroom, but the corner players are unlikely to leave; entertaining their followers, they show their clout by sending flunkies to refill their glasses.

But at some imperceptible signal, all

the power players abandon their positions and converge, forming a circle with their backs to the nonpowerful. This is usually near the bar, because in this phase the players must ignore their former flunkies and not leave the circle. Korda tells of one case in which the circle formed in the center of the room and the senior executives stood "with empty glasses, irritated but rooted to the spot, until an understanding secretary sent a bartender over to take their orders." At another signal, the ritual ends and the circle breaks up—and at that point, a player having established power is free to "get drunk, dance, take off his jacket, flirt or wear a lampshade on his head."

Sex Games: Women are at a disadvantage in the power game, Korda maintains—in part because men put them down and have learned the techniques of dominance, but mostly because power itself "is thought of as being essentially male." Women are learning to break into the power spots, sometimes by ignoring the rules and sometimes by playing their own distinctive sexual games—flirting, flattering or intimidating with alternate doses of feminine softness and masculine crudity. But sex games may be played in several directions, for multifarious purposes. In one of Korda's examples, an executive ostentatiously sponsors a woman subordinate's project, stressing it as hers—but with a gesture of intimacy. If the project works, it is assumed to be his own; win or lose, he is credited with a sexual conquest.

People who have won power, Korda says, can seldom refrain from advertising it. But oddly, he sees a growing trend away from old-fashioned tyranny to a



From "Power": © 1975 by Michael Korda and Paul Gitlin

new kind of power that is willing to be humiliated—the executive, for instance, who turns down a proposal on the pretense that some vague greater power has vetoed it. In fact, Korda says, "the contemporary American style of power is to pretend that one has none," possibly because power brings unwanted responsibility. For most people, says Korda, "safety lies in an artfully contrived pose of impotence, behind which one can do exactly as one pleases." That is a hedgehog's aspiration, but Korda makes it sound convincing.

—LARRY MARTZ