1 Regulation

The term "regulation" refers to government control over certain actions and decisions by business managers. Early regulation in Great Britain and the United States was designed primarily to control prices of and prescribe accessibility to privately operated essential services. The tenet of *justum pretium*—"just price"—was a facet of Roman law and a component of English common law. Sir Matthew Hale, Lord Chief Justice of England, wrote an essay on rates for wharf services in 1670, defending the necessity of public regulation of private industries that affect the public interest. He explained:

> If the King or subject have a public wharf unto which all persons that come to the port must come and unload their goods ... because they are the only wharfs licensed by the King ... or because there is no other wharf in that port ... there cannot be taken arbitrary and excessive duties ... but the duties must be reasonable and moderate. ... For now the wharf and crane and other conveniences are affected with the public interest.[1]

Upon adoption of the federal Constitution, the United States Congress quickly entered the arena of regulatory activity. In 1789, the First Congress enacted laws to provide licensing and rate-making authority to port collectors.[2] More formal regulation was instituted in 1837, when the Steamboat Inspection Service was established in reaction to repeated incidents of steamboat explosions.[3]

State governments specialized in the regulation of public utilities, empowered by the United States Supreme Court's decision in the 1877 case *Munn v. Illinois.* Chief Justice Morrison R. Waite wrote:

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> Property does become clothed with a public interest when used in a manner to make it of public consequence, and affect the community at large. When, therefore, one devotes his property to a use in which the public has an interest, he, in effect, grants to the public an interest in that use, and must submit to be controlled by the public for the common good, to the extent of the interest he has created. He may withdraw his grant by discontinuing the use; but, so long as he maintains the use, he must submit to the control.[4]

The national government's regulatory activity advanced to a higher level of formality when Congress enacted the Interstate Commerce Act in 1887. The law prescribed regulation of the railroads and created the Interstate Commerce Commission (ICC), originally a component of the Department of the Interior. The delegation of regulatory authority to the ICC established a precedent that Congress would imitate frequently in the twentieth century, creating agencies and commissions whose purpose would be to regulate many industries and corporate activities.[5] Another aspect of the Interstate Commerce Act that established a pattern was its appeal to numerous constituencies, including the regulated industry itself. As Wilson wrote, "the act... provided something for almost everybody: for railroaders, a ban on paying rebates to big shippers; for shippers, a ban on price discrimination against short-haul traffic."[6] Railroad officials anticipated that regulation might prove to be a valuable resource. By 1892, a railroad lawyer realized the opportunity, prophetically observing:

> The Commission, as its functions have now been limited by the courts, is, or can be made, of great use to the railroads. It satisfies the popular clamor for a government supervision of railroads, at the same time that that supervision is almost entirely nominal. Further, the older such a Commission gets to be, the more inclined it will be found to take the business and railroad view of things.[7]

The ICC was the first of the major economic regulation agencies, which would dominate the regulatory arena until the 1960s. After that time, social regulation agencies would come to share the spotlight.

ECONOMIC REGULATION

Public utility regulation established the pattern of economic regulation. Economic regulation was typically established to address problems relating to

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monopolistic control of a market (including, but not limited to, natural monopoly control characteristic of public utilities), excessive or discriminatory prices, destructive competition, quality control, employee or consumer safety, or nondisclosure of financial information. Meier identifies six categories of regulations that were commonly applied: (1) price regulation, (2) franchising and licensing, (3) standard setting, (4) direct allocation of resources, (5) operating subsidies, and (6) promotion of fair competition.[8] Economic regulation, then, may control prices, govern entry into or exit from a market, establish minimum levels of service quality, and require workplace safety. The ICC was established in 1887 chiefly for the first purpose—price regulation.

Typically, Congress would establish a regulatory commission to regulate a specific industry. Congress would delegate rule-making ("quasi-legislative") authority to the commission, and the commission presumably would develop "official expertise" in developing policy relating to the industry. The ICC was supposed to be expert in the area of railroad regulation. (Later, regulation of interstate trucking, interstate water carriers, interstate telephone [until 1934], and interstate oil pipelines [until 1977] was added to the ICC's purview.)

Another kind of economic regulation is antitrust regulation, which prohibits certain mergers, price fixing, and other activities that undermine and discourage competition. The rise of the colossal trusts and the demise of thousands of small firms attended the severe recessions of the 1870s and 1880s. Populist candidates for seats in Congress and state legislatures promised to restrain big business. The Sherman Act of 1890 prohibited arrangements and conspiracies that would restrain trade or commerce or that would establish a monopoly. Doubts about the efficacy of the Sherman Act motivated Congress to enact the Clayton Act and the Federal Trade Commission Act, both in 1914. The Clayton Act was more specific than the Sherman Act in identifying unacceptable business practices, and it was designed to abort the development of a monopoly by prohibiting mergers and acquisitions that would imperil competition. The Federal Trade Commission Act established the Federal Trade Commission (FTC) and empowered it to issue orders to cease and desist. The Antitrust Division of the Department of Justice exercises its authority to pursue antitrust litigation pursuant to the Sherman and Clayton Acts. The FTC's authority was established by the Clayton and Federal Trade Commission Acts.

The 1930s brought the creation of a number of agencies devoted to economic regulation, including the Federal Communications Commission (1934), Federal Power Commission (1935), Federal Maritime Commission (1936), and Civil Aeronautics Board (1938).

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Much of the literature on economic regulation, especially from the 1950s to the 1970s, focused on the question, "Why does the government regulate?" The simplistic answers—for example, "to protect the public" or "to correct market failure"—became unsatisfying to increasingly critical and cynical political scientists and economists. In 1952, Samuel P. Huntington reported on the "capture" of regulatory agencies by their respective regulated industries. The plausible claim that the decisions of administrative agencies were "extremely likely to be[come] impregnated by the environing atmosphere"[9] undermined the legitimacy of the agencies. A 1964 study by George J. Stigler demonstrated that regulations of the Securities and Exchange Commission were ineffective in improving efficiency in securities markets.[10] In 1955, Marver H. Bernstein concluded that, although regulatory agencies are founded with legitimate public interests in view, each agency conducts day-to-day business with its particular industry, gets to know industry officials, and perhaps loses some of its staff to the industry or hires away some industry employees for its own work force.[11] With so much interaction, the regulators lose their taste for conflict with industry, Bernstein explains. At this point, the capture is complete.[12]

The United States Court of Appeals for the District of Columbia Circuit became a vocal critic of regulation that protected the regulated industries. In the 1970 case of *Moss v. Civil Aeronautics Board*,[13] the circuit court adjudicated a case concerning Civil Aeronautics Board (CAB) procedures for determining air fares. Judge J. Skelly Wright said that the operative issue was "whether the regulatory agency is unduly oriented toward the interest of the industry it is designed to regulate, rather than the public interest it is designed to protect." The CAB was horrified by Wright's conclusion that its processes fit that severe description. The decision in this case was typical of findings in the 1970s that economic regulation was serving the interests of some minority, an outcome inconsistent with the original objective.

SOCIAL REGULATION

The origin of social regulation can be traced to railway safety laws, the Pure Food and Drug Act of 1906 (amended in 1938 and 1962), and airline safety regulation dating back to the 1930s. Other social regulation programs prior to the 1960s were essentially the exclusive domain of state and local governments. David Vogel reports that, between 1900 and 1965, only one federal regulatory agency—the Food and Drug Administration, established in 1931—had as its primary responsibility the protection of consumers, employees, or the public from physical danger caused by corporate activity.[14]

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Social movements in the 1960s became influential enough to secure congressional legislation for regulation in such areas as environmental protection, consumer protection, occupational safety, protection against discrimination, and promotion of health, welfare, and safety.[15] For example, in 1965 Ralph Nader published *Unsafe at Any Speed*,[16] which criticized design deficiencies in General Motors' rear-engined Corvair. Nader's increasing prominence gave him influence, which contributed to Congress's enactment of the Motor Vehicles Safety Act of 1966, the Wholesome Meat Act of 1967, the Natural Gas Pipeline Safety Act of 1968, the Coal Mine Health and Safety Act of 1969, and the Occupational Safety and Health Act of 1970.[17] Economic regulation had moved off stage, as Congress proceeded to catch up on long neglected issues of health, safety, and quality.

Advocates of social regulation offer several justifications. First, consumers often obtain inadequate or faulty information from producers, and rely on government compulsion to coerce producers to disclose essential information about safety concerns, nutritional value, product quality, and so forth. Second, innocent bystanders who are not a party to the vendor-customer transaction may be adversely affected by externalities, such as pollution generated in the manufacturing process or injuries sustained by third parties when dangerous products are used. Third, in a society characterized by consumerism, where quality of life is often defined by how much one can buy, it can be difficult for consumers to resist demand manipulation by firms. Government intervention may be needed to protect customers from being lured into transactions by rhapsodical advertising of products that are worthless or even harmful. Fourth, producers may be willing to endure the risk of being inadequately insured, leaving customers vulnerable to insufficient compensation for their losses if a product malfunctions or if malpractice occurs. Fifth, some advocates of social regulation propose as a matter of principle that the health and safety of consumers and employees should not be protected solely through the threat of civil lawsuits and damage awards—which makes health and safety a commodity to be bought and sold. Rather, health and safety should be safeguarded through compulsory preventative programs that reduce the risk from the outset.[18]

DIFFERENCES BETWEEN ECONOMIC AND SOCIAL REGULATION

The purposes of social regulation differ markedly from those of economic regulation, and so the results differ as well.

While every old-style agency for economic regulation governs a single

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industry and usually falls victim to the "capture" phenomenon, the new-style agencies of social regulation regulate a function in *all* industries, thus defying any "capture" attempt.[19] Observers agree that the Environmental Protection Agency (EPA), the Occupational Safety and Health Administration (OSHA), and the Consumer Product Safety Commission have not been and cannot be captured in a frontal assault by industry. On the contrary, as Allewelt explains, agencies can dominate a company's activities with regard to the function being regulated, and—in the absence of the more intimate relationship that arose between the old-style, economic regulation agencies and their regulated industries—the new-style agency has little sympathetic concern for the health of the firms it regulates.[20]

Accordingly, the "capture" theory is inapplicable to social regulation, and the generalized interpretation of regulation as a response to industry demands is misleading. Social regulation, says Meier, is "more likely to be forced on [the regulated industry] by a Congress that respond[s] to nonindustry groups."[21]

This leads to another difference between the two kinds of regulation: While economic regulation was often established with the approval and encouragement of the regulated industry, social regulation has rarely been created at the demand of industry and has usually been thrust upon industry following demands by public interest groups.[22]

Social regulation is not concerned with control of entry, prices, and quality of service; according to Edward Paul Fuchs, this explains the term "social regulation." "This prompted economists erroneously to label them as social regulations, or not essential to the conduct of the marketplace, even though they were directly related to the production of goods and services."[23]

Paul H. Weaver points out another distinction between economic and social regulation, which does not seem to be inherent in the concepts of these two forms. While the acts of Congress that established economic regulatory agencies were notorious for delegating extremely broad powers to the agencies without providing specific policy guidance "save to enjoin the regulators to act in the public interest," the acts establishing the newer agencies tend to be "extraordinarily lengthy and specific." Weaver takes note of the environmental protection statutes, which fill hundreds of pages in the United States Code. "The Clean Air Act is so specific that it spells out precise pollution-reduction targets and timetables and leaves the EPA virtually no discretion whatsoever."[24]

One limitation regarding this phenomenon ought to be noted: As Fuchs observes, the complex, technical nature of social regulation has occasionally

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restricted Congress's opportunity to define the issue, leaving regulators with *more* discretion on such occasions.[25]

Unlike economic regulation, which tends to concentrate on the relationship between the seller and the buyer, social regulation is apt to protect other parties, such as employees, third-party victims of malfunctions or accidents, or members of the general public who may be subjected, for example, to polluted air or water.[26]

While the focus of economic regulation on case-by-case resolution of a firm's application for rate increases or other changes in operations tends to generate adjudicatory proceedings, social regulation involves more generalized rule making applicable to the entire corporate sector.

> The rules governing these procedures are much less rigorous. The whole structure of the federal administrative process, under the legislation that has governed it for thirty years, depends to a great extent on the notion that many types of rule making (and especially those that affect a broad range of enterprises) follow the procedural model of legislation rather than that of litigation.[27]

Another difference involves the public's commitment to the two kinds of regulation. While the public has been indifferent to economic regulation, surveys have indicated public support for the objectives of social regulation. The public had little reaction to deregulation in economic regulation matters, but has been hostile to attempts to dismantle social regulation.[28]

The two kinds of regulation are also distinguished from each other by social regulation's focus on risk management. While economic regulation tends to be oriented toward the elimination of certain categories of managerial practices (e.g., restraint of trade, overcharging, and disseminating misleading or false information), social regulation tends to divide categories of managerial practices into those that are essentially free of risk, those associated with tolerable risk, and those fraught with excessive risk. Michael D. Reagan explains: "In an era characterized by acid rain, smog, ground water toxicity, and near meltdowns of nuclear power plants, any set of ideas that gets us beyond simple emotionalism in dealing with hazards to our persons would seem to have much to recommend it."[29]

Much legislation dealing with social regulation can be distinguished from economic regulation legislation by the source of authority that underlies its enactment. While Congress generally and principally justified laws establishing economic regulation by citing its own constitutional power to regulate interstate commerce (hence the ambiguous title "Interstate Commerce Com-

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mission" for the commission established to regulate the railroad industry), it has been just as likely to justify delegations of power to promulgate social regulations by citing the legislature's constitutional power to promote the general welfare and its power of the purse.

Finally, old-style, economic regulation has usually been carried out by independent regulatory commissions (IRCs). The new-style, social regulation is carried out within the executive branch.

INDEPENDENT REGULATORY COMMISSIONS AND EXECUTIVE AGENCIES

The entities of the national government that implement most regulatory policies can be classified into three categories: IRCs, freestanding agencies of the executive branch, and regulatory agencies contained within cabinet-level departments.

The ICC was established in 1887 as a component of the Department of the Interior. Two years later, the ICC was lifted out of the department, becoming the first IRC. The change in status is attributed to the efforts of Senator John H. Reagan (D-Tex.), author of the Interstate Commerce Act, who feared undue influence from newly elected President Benjamin Harrison, a former railroad lawyer.[30] Congress seemed greatly pleased by its invention, because for years afterward it relied on the IRC form when additional industries were targeted for regulation. Because this period coincided with the dominance of economic (as opposed to social) regulation, economic regulation and the IRC form became inextricably linked.

Frustrated by holdover Republican members of the IRCs (as well as of the Supreme Court), President Franklin D. Roosevelt notified a Republican member of the Federal Trade Commission, former Rep. William E. Humphrey (R-Wash.), that his services were no longer desired. Commissioner Humphrey sued to keep his job. The case was decided in Humphrey's favor after his death, in the 1934 Supreme Court decision of *Rathbun ("Humphrey's Executor") v. United States*.[31] The court reasoned that commission members who adjudicate cases, and who thus wield quasi-judicial power, should be free from fear of the reprisal of removal if their decisions displease the president.

Thus, it was established that the commissions were to be relatively free from the most potent presidential influence of all—removal. Meanwhile, Congress indicated a determination to maintain exclusive custody of the IRCs. For example, in 1910, a debate on ICC amendments contained numerous references to the commission as an "arm of Congress" and even as a "committee

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of Congress." Over the years, members of Congress have asserted repeatedly that the legislative powers of the IRCs inevitably make them extensions of Congress, not of the presidency.[32] At the same time, the regulated industries learned that their day-to-day interactions with the commissions could result in advantages to the industries. Indeed, much regulation was established at the demand of the regulated industry. For example, the railroads were hopeful that the newly created ICC might avoid future price wars.[33] The relationship often resulted in the "clientele capture" described earlier in this chapter.

The other regulatory forms, which involve locating regulation within the executive branch, similarly arose out of congressional authority. "Agencies are creatures of Congress," the Supreme Court declared in 1961. "... The determinative question is not what an agency thinks it should do but what Congress has said it *can* do."[34] In this regard, there is an element of congressional control that resembles the control over IRCs. But the president appoints his own agency heads for the executive branch agencies, and these administrators are more likely to be sensitive to the president's policy preferences. Eads and Fix speculate that the president's higher profile in these agencies creates the impression that the president can "do something" to manage their operations and thus shape regulatory policy.[35] But the major factor usually cited in Congress's shift toward executive branch agencies beginning in the 1960s is the disrepute into which the IRC form slipped when the "capture" phenomenon was identified in the literature of regulation. The executive branch agencies that carry out social regulation have been less vulnerable to clientele capture than have the IRCs that carry out economic regulation. Nevertheless, the organizational location of these agencies and commissions is not the most likely explanation, as noted earlier. The fact that each social regulation agency regulates a function of *all* industries makes it difficult to capture; in contrast, the assignment of one economic regulatory commission to a single corresponding industry facilitated capture. Therefore, the preference that emerged in Congress for executive branch agencies did, indeed, coincide with the alleviation of the capture effect, but the two developments were for the most part merely coincidental.

There are two varieties of executive branch agencies: the freestanding agency that reports directly to the president, and the agency that is located within a cabinet-level department. EPA is of the first variety; its administrator reports only to the president. Examples of the second variety are OSHA, a component of the Department of Labor; the Office of Surface Mining, a component of the Department of the Interior; and the National Highway Traffic Safety Administration, part of the Department of Transportation.

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THE RISE OF THE DEREGULATION MOVEMENT

The 1974–75 recession motivated business leaders to seek out the root cause of the setback to the economy. They concluded that social regulation programs instituted in the late 1960s and early 1970s in the areas of consumer protection, environmental protection, and workplace safety constituted the best explanation for the recession and for the declining fortunes of United States businesses in international markets. A study by the Committee for Economic Development concluded that, in 1974–75, indirect costs of environmental, worker safety, and health regulations reduced the annual change in efficiency (output per unit of input) by 0.5 percent. "This is equivalent to about one-fifth of the nation's average annual rate of growth since the end of World War II," the study complained.[36] The business leaders' vocal criticism of regulation as a drag on the economy effectively countered the calls from regulatory advocates for more regulation, which had been made in the mid- and late 1970s. According to this argument, regulators were imposing compliance costs on business enterprises, but were not ensuring that a commensurate level of benefits was accruing to society. Politically and otherwise, no regulator had any incentive to contain compliance costs.

Bolstering the claims of business representatives were studies estimating the total compliance costs necessitated by federal regulation. The most famous study was conducted by Robert DeFina and Murray L. Weidenbaum at the Center for the Study of American Business at Washington University (St. Louis), in 1979. The study estimated and projected these costs, in billions of dollars, by fiscal year.[37] (See table 1.1.)

Purchasing magazine conducted a similar study, and concluded that 1979 costs would amount to $134.8 billion. Thus, the estimated annual cost was about $500 per capita.[38]

(More recent studies include a 1992 study by Thomas Hopkins of the Rochester Institute of Technology, who estimated that the annual compliance costs would amount to $564 billion, including costs associated with economic and social regulation. Of that amount, $164 billion was attributed to environmental, work safety, and health regulations (excluding such regulation as FDA rules). Robert Litan pronounced Hopkins's estimates "in the ballpark.")[39]

Just as private business felt overburdened by the growth in federal regulation, so too did state and local governments, which nearly buckled under the weight of a stack of regulations concerning accessibility to public buildings and transportation systems by handicapped individuals, availability of unem-

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Table 1.1
Cost of Federal Regulation (in billions of dollars)

	Administrative Costs	Compliance Costs	Total Cost
1977	$4.1	$ 82.0	$ 86.1
1978	4.9	98.0	102.9
1979	5.8	116.0	121.8
1980	6.0	120.0	126.0

ployment compensation to public employees, wastewater treatment, environmental impact, and clean water standards. New York's Mayor Edward I. Koch complained that federal regulations "threaten both the initiative and financial health of local governments throughout the country."[40] Conditional grants-in-aid have offered state and local governments the choice of implementing federal regulations or losing subsidies for various projects in the respective policy area. While some "partial preemption" laws mandate that state governments implement certain federal regulatory programs (see, e.g., the Clean Air Amendments of 1970), "softer" partial preemptions have offered the state governments the choice of implementing their own regulatory activities (provided state standards match or exceed the federal standards in stringency), or of being bypassed by federal regulation, which is then imposed directly on industries within the state. (Under the Constitution's supremacy clause, no third option is available to state governments.) The "softer" preemptions have been common in the case of occupational safety regulations. Through conditions and partial preemptions, a trend developed whereby state and local governments took on the appearance of administrative districts of the national government.[41]

Vogel observes that the election of a Democratic president in 1976 was followed, ironically, by the 1977 defeat of the two most important legislative goals of the labor union and consumer movements—labor law reform and the creation of a Consumer Protection Agency. Vogel sees Ronald Reagan's 1980 victory as the culmination of the decline of the leftist liberal politics of the 1960s and 1970s.[42]

The period of the mid- to late 1970s provided the backdrop for unexpected deregulatory initiatives. Weidenbaum describes some of them:

> In January 1974 the federal government terminated the interest equalization tax on American holdings of foreign stocks and bonds, as well as the

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> five-year-old program of controls over direct investments abroad by United States corporations. Simultaneously, the Federal Reserve System ended its guidelines limiting lending and investments overseas by United States banks and other financial institutions. Under the Airline Deregulation Act of 1978 entry and price regulation of domestic airlines [was] ... phased out by 1982 and 1983, respectively.[43]

The decade of the 1970s introduced systematic presidential involvement in the regulatory process. President Richard M. Nixon's administration developed the "quality of life" review process, which—insofar as its primary objective was to control EPA regulations—established a pattern for subsequent Republican administrations. President Gerald R. Ford established the "Inflation Impact Statement" program, requiring assessments of the effects of major regulations on inflation. As economists published compelling studies indicating that regulation was counterproductive and generally a drag on the economy, President Jimmy Carter established the Regulatory Analysis Review Group and the Regulatory Council, which conducted a collegial process of regulatory analysis and review. Recalcitrants could ignore this process with few or no consequences. Also, social regulation agencies dramatically accelerated the pace of rule-making activity. These precedents were well known to the Reagan transition team, which prepared to roll out a systematic regulatory review program coordinated by the powerful OMB. Agencies could not safely evade this process, which guaranteed that Reagan's imprint would appear on the government's regulatory policies.[44]

Weaver uses the example of the deregulation movement to dispute the prevailing view among political scientists that the public is indifferent to the activities of government agencies, and that only a subgovernment—consisting of the "iron triangle"[45] of the relevant executive agency, the corresponding congressional committees and subcommittees, and related interest groups—is concerned about and dominates any given government policy. According to that popular view, the movement for deregulation "simply shouldn't exist." And yet, the movement does exist, and has won support from the Council of Economic Advisers, the Antitrust Division of the Department of Justice, elements of OMB, other agencies, Presidents Ford and Carter (and we may now add Reagan, George Bush, and Bill Clinton), and progressive Democratic and conservative Republican members of Congress. Nearly all of the deregulators, Weaver argues, should have opposed deregulation if the subgovernment ("iron triangle") model were accurate. He concludes: "The truth is that the 'iron triangle,' where it exists, was and is a political coalition like any

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other—sometimes successful, at other times not, and always dependent over the long run on the good opinion of the people."[46]

Another "truth" of public administration and organization theory is that every institution devotes itself to its survival, to the exclusion of other objectives if necessary. However, Alana Northrop notes that civil servants have been observed dismantling their jobs and agencies in the service of political officials. "Civil servants do in fact help to end their own programs and even do so willingly." She continues:

> Serving your boss is a professional value held by many civil servants. So when policy directives change, the career bureaucrat continues to do his or her job even though it may have a new content or direction. This aspect of administrative professionalism may help explain why bureaucrats work dedicatedly to end or alter their own agencies' programs.[47]

Martha Derthick and Paul J. Quirk consider other social science models similarly imperiled by the evidence of deregulation, claiming that deregulation contradicts the likely conclusions of organization theory and role theory. They cite cases of regulatory commission chairmen who overcame their own vested interests by advocating radical adjustments in the scope of authority of their agencies.[48]

These ironies and theoretical inconsistencies that have surfaced in recent deregulatory efforts can probably be accounted for by the public policy explanation of Benjamin I. Page and Robert Y. Shapiro. They found that public opinion is most likely to influence public policy in those cases where collective public opinion sustains a dramatic, durable change.[49] Because, during the post-recession period, the public was sold on the notion that regulation was a contributing factor to the slowdown; because presidential candidate Reagan was able to uncover a number of so-called nonsense regulations (to be discussed in chapter 5) and to package them rhetorically in a manner that effectively held them up to ridicule; and because public mistrust of the bureaucracy has deepened in the past twenty-five years,[50] public consensus lasted long enough for the deregulatory movement to make inroads. But the Reagan administration's assault on environmental, consumer protection, and workplace safety regulation created discomfort among the public, provoked dissension in the agencies, and may have resulted in the defeat of new regulations. Organization theory, role theory, and the theory of the "iron triangle" have not been disproved as useful models, but have, perhaps, been stripped of their appearance as immutable laws. In any case, few social science theories can escape this fate in the long run.

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