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Inside Policy Review

ROBERT MOSS, the distinguished British journalist and author, is editor of *Foreign Report*, the confidential newsletter of *The Economist*. A member of the International Institute for Strategic Studies, he recently published his reflections on "Anglocommunism" in the February 1977 issue of *Commentary*.

In this timely analysis of "Eurocommunism" (especially in Spain, France and Italy) Moss takes issue with Secretary Vance who has said it is "possible" that a Communist government in a NATO nation might present more difficulties for the Warsaw Pact than for the Western Alliance. He agrees with Henry Kissinger who has recently forcefully maintained that there is no reason whatsoever to believe that the "Eurocommunists" have accepted the rules of the democratic game. He cites case after case in which Communist leaders in several nations have telegraphed their intentions to retain power by force if necessary once they obtain it and to fight on the Soviet side in a European war. He outlines several policy options that the West might pursue in dealing with this increasing danger.

KENNETH W. CLARKSON is Professor of Economics in the Law and Economics Center (which is directed by Dr. Henry Manne) in the School of Law of the University of Miami, Coral Gables, Florida. Dr. Clarkson is the author of many economic studies including *Tangible Capital and Rates of Return* (American Enterprise Institute, Washington, D.C., 1977). His colleague, ROGER E. MEINERS, is John M. Olin Fellow in the Law and Economics Center.

The authors present a cumulative (and overwhelming) body of evidence to demonstrate that in 1976 the *real* unemployment rate was approximately 5.6 percent rather than the officially measured 7.7 percent. The implications of this revelation for public policy (and for electoral politics) are, of course, far ranging.

The authors argue that recent high measured rates of unemployment can be attributed in large part to the "work-registration" requirements established in recent years by Congress in order to encourage welfare recipients to find jobs. As happens so often with well-meant social programs, the results were not expected; a new class of persons was created "who are either largely unemployable or have no need or desire to work, but who, to qualify for various welfare benefits, must officially register for work. Thereby, these people, who previously were counted as essentially out of the labor force, are now counted in official unemployment statistics and are labeled unemployed."

PETER BAUER, Professor in the London School of Economics, is the co-author (with B.S. Yamey) of the classic work *The Economics of Under-Developed Countries* (Chicago, 1957), and is generally recognized as one of the foremost authorities on the economics of foreign aid. Besides his many articles in scholarly journals, he is a frequent contributor to

Encounter and Commentary. JOHN O'SULLIVAN is an editorial writer on economic policy for *The Daily Telegraph* of London. He is the co-author of several books and has been a correspondent in a number of Third World countries. Both authors are members of The Mont Pelerin Society.

In their essay on the NIEO, they analyze (with considerable verve) some of the recent pronouncements coming out of the "North-South Dialogue" in Paris and the Commonwealth Conference in London this June. They dispel a good many myths about the LDC's and conclude that most government-to-government foreign aid has had the net effect of making the world poorer.

JOHN HOWARD recently retired as President of Rockford College in Illinois after serving many years in that position; he is presently Director of the Rockford College Institute. The author of many articles on educational problems, Dr. Howard argues in this issue that college trustees have an obligation to take a greater interest in the educational and moral life of colleges.

STEPHEN HASELER is Principal Lecturer in Politics in City of London College; after earning his PhD from the London School of Economics he was elected as a Labor Party member of the Greater London County Council. The author of several books, he contributes regularly to such journals of opinion as *Encounter, The New Statesman* and *Commentary*. A trade unionist himself, he argues here that so-called Soviet "trade union leaders" are actually government agents and not representatives of the workers. He urges the State Department to heed the advice of the AFL-CIO and not give in to current pressures to issue visas for such officials.

DANIEL PATRICK MOYNIHAN is the Democratic Senator from New York and a craftsman of the English language. He has written numerous books and many articles for *Commentary, The New Republic, The Public Interest,* etc. He demonstrates in *Policy Review* that the most important public policy decision is largely unresponsive to governmental influence; it is made, in fact, by lonely individuals in bed.

ROBERT L. SCHUETTINGER is editor of *Policy Review*. He taught diplomacy at several universities and is currently editing (with John J. Tierney) an anthology on the history and principles of diplomatic practice. He reveals how a network of former Congressional staff aides (many with ties to influential foundations) has been very effective in securing key positions in the State Department and National Security Council staff.

ERNEST VAN DEN HAAG teaches at the New School for Social Research and New York University and is a practicing psychoanalyst. He recently testified to a Senate Committee that the crime rate could be reduced by

half if parole were abolished and appropriate mandatory flat sentencing of career criminals instituted. The essay published here is a revision of his statement to the Senate.

U.S. Strategy in the Decade Ahead, an anthology edited by James E. Dornan, Jr. of The Catholic University of America, will be published by Crane, Russak and Co. in the Fall. Selected previews of six chapters are included in this issue of *Policy Review*. The authors presented here are: ROBERT CONQUEST, author of *The Great Terror* and now senior fellow at the Hoover Institution; STEPHEN P. GIBERT of Georgetown University; COLIN GRAY of the Hudson Institute; ANTHONY HARRIGAN of the U.S. Industrial Council; FRANZ MICHAEL of the Sino-Soviet Studies Center at George Washington University; and JOHN J. TIERNEY, JR., executive director of the National Security Research Group in the U.S. Congress.

Reviews of books were written by Senator JAMES A. McCLURE, R-Idaho (Chairman of the Senate Steering Committee), EDWARD PEARCE (editorial writer for the London *Daily Express* and an active member of the Labor Party), WILLIAM F. CAMPBELL (Professor of Economics in Louisiana State University at Baton Rouge) JEFFREY ST. JOHN (columnist and broadcaster and author of the forthcoming biography of John Randolph of Roanoke, *Cassandra on Horseback*), and JOHN SEILER (editorial staff of *The Colorado Springs Gazette*).

Introducing *Policy Review*

Public policy broadly defined — the policies of government, of large corporations, of trade unions, of the press and television and of educational institutions — is having a greater and greater effect on the lives of all of us.

The conscious study of public policy as a branch of the political science profession reflects this underlying trend; it is now the fastest-growing subdivision of the discipline.

Perhaps not so surprisingly, however, the large-scale social programs of the 60's and early 70's are being subjected to closer scrutiny. Our foreign policy is also being re-examined in the light of new conditions in the world; the failure of the policy of detente has not yet been succeeded by another, more workable, strategy to defend the interests of the United States and its friends.

Policy Review was founded because alternative and timely critiques and solutions are clearly needed; we will be contributing to this necessary debate by asking authors representing a variety of view-points to set them forth.

We will bring to the attention of policymakers, scholars and the educated public the ideas and analyses of professionals who have studied the effects of government policies and who write in clear English.

We will treat serious questions seriously but our goal is to do so with some verve and style.

We will not be at all displeased if others steal any of the ideas presented here; and if they improve on them, so much the better.

And if, now and then, a Congressman sees some good in a proposal in *Policy Review*, or an assistant secretary in some department takes to heart a critique of a governmental program, we will all be better off.

Edwin J. Feulner, Jr.
David I. Meiselman
Robert L. Schuettinger

Introducing the Editorial Board

The Publisher, EDWIN J. FEULNER, JR., is the President of The Heritage Foundation. He was formerly Executive Director of the Republican Study Committee in the U.S. House of Representatives and has served as an aide to Secretary of Defense Melvin R. Laird and to Rep. Philip M. Crane. He was educated at the Wharton School of Finance, the London School of Economics, and other colleges. He is the author of *Congress and the New International Economic Order*, the editor of *China—The Turning Point* and co-author of six other books. He is a member of the International Institute for Strategic Studies and the Mont Pelerin Society.

The Editor, ROBERT L. SCHUETTINGER, is Director of Studies of the Heritage Foundation. He was formerly a foreign policy aide in the U.S. House of Representatives and has taught political science at The Catholic University of America, St. Andrews University in Scotland and Yale University. He studied at Columbia, Oxford and the University of Chicago's Committee on Social Thought. He is the author of the newly-published *Lord Acton: Historian of Liberty*, and of *Saving Social Security, Forty Centuries of Wage and Price Controls*, and *A Research Guide to Public Policy*; he is also the co-author of six books in international relations. He is a member of the Policy Studies Organization, the International Institute for Strategic Studies and the Mont Pelerin Society.

The Chairman of the Editorial Board, DAVID I. MEISELMAN, directs the graduate economics program at Virginia Polytechnic Institute in Reston. He has taught at the University of Chicago, The Johns Hopkins University and Macalaster College; he has also served as a senior economist with the Committee on Banking and Currency in the U.S. House of Representatives and as a consultant to several government agencies. He is the editor of *Varieties of Monetary Experience* and the author of several other books and numerous articles. A former President of the Philadelphia Society, he is also a member of the Mont Pelerin Society.

GEORGE F. GILDER has been a Fellow of the Kennedy Institute of Politics at Harvard and a staff aide to Senators Jacob Javits and Charles McC. Mathias. He has served as Managing Editor of *The New Leader* and as an editor of *The Ripon Quarterly*. The author of two books in sociology, he is currently working on a study of unemployment.

STEPHEN HASELER will be a Distinguished Scholar in the Heritage Foundation during the academic year 1977-78 doing research on Eurocommunism. The author of *The Gaitskellites* and *The Death of British Democracy*, he is working on a biography of Ernest Bevin.

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The Specter of Eurocommunism

ROBERT MOSS

The visit of Chancellor Helmut Schmidt to the White House on July 13 and 14 and that of Prime Minister Giulio Andreotti on July 26 and 27 will include a "hidden agenda" according to *The New York Times* of July 12, 1977.

"At the highest level of the Carter Administration," wrote *Times* reporter Bernard Gwertzman, "officials are expressing deep concern over what they see as a political and economic deterioration in many Western European countries."

The "hidden agenda" to be discussed privately includes primarily "the swing toward the left" and "the trend known as Eurocommunism", which, says *The New York Times*, has "created mixed feelings" in Washington.

There can be little doubt, that from a European standpoint (and ultimately for the interests of the West as a whole) the "trend toward Eurocommunism" is indeed serious. Let us begin with Spain which recently transformed itself into a democracy.

The results of the Spanish elections on June 15th were less than a triumph for the Communist Party (which gained only 20 seats out of 350 in the Cortes) but the Communist Party leader, Santiago Carrillo, could put a braver face on it than the leaders of the traditional right which fared even worse. The Communist Party emerged as the third largest party in a situation where party allegiances are still very fluid.

Superficially, the election results seemed to have opened the way for a two-party system in Spain, with a center-right party of government clustered around the prime minister, Adolfo Suarez, and a socialist party of opposition (the PSOE) led by Felipe Gonzalez. Could it be that, despite the Communist Party's role in Spain as the focus for secret opposition to Franco and its *avant-garde* role, since 1968, in developing a "Eurocommunist" image of independence from Moscow and tolerance towards other parties, it will now be condemned to the sidelines?

Such a conclusion would be rash. First of all, it is worth recalling that the Spanish Communist Party polled only 191,000 votes in the first legislative elections of the Spanish Republic in June, 1931 — not enough to capture a single seat

in parliament – and only slightly more in the elections in 1933. The Communist Party's lack of a significant electoral following did not, however, make it a negligible force when the Republic fell victim to its internal conflicts.

Second, the PSOE is a Marxist, not a social democrat, party, and has attracted the votes of many of the people who might well have voted for the CP in Italy or France. The Soviets – as well as West European Socialist parties – gave considerable encouragement to the PSOE in the run up to the elections. This was no doubt related to their distrust of Carillo's "Eurocommunist" pretensions, but also to the calculation that the PSOE was the most worthwhile cause – in an *electoral* sense – since its foreign policy completely coincides with Soviet interests, while it has already earned the approval of Socialist governments in Europe.

Finally, the Communist Party's organized membership (it claims 150,000 members) and trade union support, steeled by the long years of underground resistance, will be a force to be reckoned with in any future political crisis: while its mastery of conspiratorial techniques is evident from the way that the party has rapidly moved to assume dominant influence over the major news magazines – and even the recently-legalized girlie magazines.

So, while it may be concluded that the net result of Spain's elections was to expose the limited popular support for the Communist Party, it does not follow that the Communist Party has suffered some irreversible setback. It can count on mobilizing union discontent in a deepening economic recession in Spain, and of continuing to try to build a broad "popular front" combining the Communist, Socialist and left-wing Christian Democrat forces. Meanwhile, the specter of Eurocommunism is more immediate to the north and east: in Italy, where the Communist Party gained 34.4 percent of the votes in the elections of June 1976 and controls all the major urban centers; and in France, where recent opinion polls suggest that the Communist Party-Socialist alliance (the Union of the Left) has a chance of winning next year's legislative elections.

One of the most striking features of the advance of Communism in Southern Europe is the widespread assumption that the nature of Communism has somehow changed. The postwar leader of the French Communist Party, Maurice

Thorez, coined the celebrated phrase that his party was "*pas comme les autres.*" Yet when the pollsters recently asked (in a poll that appeared in *Paris-Match*) whether people thought that the Communist Party had become "a party like the others," an astonishing 43 per cent of those interviewed said yes. Only 35 per cent continued to believe that the French Communist Party was different from other parties. The rest were undecided.

Even more striking, perhaps, was the response to another question, "Would the Communist Party be favorable to press freedom?" Of those interviewed, 35 per cent thought the Communist Party would respect press freedom; only 32 per cent thought that it would not.

Has the nature of Communism changed in Western Europe? Is "Eurocommunism" different in kind from Soviet Communism or merely an electoral charade played by shrewd tacticians who know that their chances of winning votes will be lessened if they are identified with the repression of Soviet dissidents or the invasion of Czechoslovakia?

A New Word Is Coined

It should not be forgotten that the word "Eurocommunism" only came into circulation in 1975, and has only started to be used by Communist Party leaders – after much initial hesitation – over the past year or so. (Carrillo recently published a book with "Eurocommunism" in the title.) One Soviet critic of "Eurocommunism," V.V. Zagladin, has suggested that the term was invented by Zbigniew Brzezinski. More probably, it is the invention of journalists: a convenient, but misleading, bit of shorthand used to describe some tendencies that seem to be common to several CPs in Western Europe, rather than a description that they initially applied to themselves.

The "Eurocommunist" parties have set out to demonstrate the following points:

1. That a Communist victory in a West European country would not mean domination from Moscow.
2. That Western Communist Parties are not responsible for the crimes of Stalinism and the contemporary treatment of dissidents within the Soviet bloc; and are capable of taking a critical attitude toward what their Soviet patrons do.
3. That Communism is compatible with political liberty

and the survival of parliamentary institutions.

In pursuit of (1), the Eurocommunists have dropped one of the key phrases in the Marxist-Leninist lexicon: "proletarian internationalism," a euphemism for Soviet control of the world Communist movement.

In pursuit of (2), some Western Communist Parties make regular – but highly selective – criticisms of the Stalinist past and the Soviet present, usually on occasions when there are no Russians present.

In pursuit of (3), some Western Communist Parties have abandoned one of the key phrases from Marx, the "dictatorship of the proletariat," in the effort to imply that "socialist" revolution can be brought about by peaceful democratic means in conditions of political pluralism. It is not always observed that when Marx wrote of the "dictatorship of the proletariat," he was not discussing a political strategy, but setting out what he conceived as an historical inevitability – a stage of social and political evolution that would have to be undergone during the transition from capitalism to socialism. The house style-sheets for *L'Humanite* and *L'Unita* (the organs of the French and Italian Communist Parties) may be revised, but no genuine Marxist can abandon the underlying conception of history.

The three major Communist Parties that it is now customary to group together as "Eurocommunist" are those of Italy, France and Spain. Each is pursuing a strategy of tactical alliance with other parties, whose success will partly depend on convincing evidence of "de-Stalinization" within the Communist Party. It is equally important to note that each of these parties is also responding to recent historical events in other parts of the world which are interpreted as particularly relevant to the success or failure of Communism in these three countries. Thus it was in September-October, 1973, after the fall of Allende in Chile, that the Italian Communist Party leader, Enrico Berlinguer, mapped out his plan for a "historic compromise" between the Communist Party and the Christian Democrats. He had clearly drawn the lesson from Chile's coup that Communist Party success in Italy would hinge on drawing together a broader coalition of political forces than Allende was able to bring about.

While the Communist-Socialist alliance in France came about in 1972, it was after the defeat of Portugal's Communist Party

in the fall of 1975 that Georges Marchais, the French Communist Party leader (and until then a staunch defender of the hard-line Stalinist approach of Alvaro Cunhal) apparently drew the conclusion that he must take steps to avoid the possibility that his party could be similarly isolated and identified as an anti-democratic force. From that time, the French Communist Party joined the Eurocommunist chorus. The decisive event for Carrillo came earlier – in 1968, when Soviet tanks ended the "Prague spring."

The French, Italian and Spanish Communist Parties are the strongest in Western Europe. But beyond their ranks, "Eurocommunism" has not proved notably infectious.

The degree of agreement and co-ordination between Berlinguer, Marchais and Carrillo themselves should not be exaggerated. Their meetings have been bilateral, rather than trilateral, with the Italian Communist Party taking the lead – by inviting Carrillo to Livorno in July, 1975 and to Rome in September, 1976, and by inviting Marchais to Rome in November, 1975 and May, 1977. The only "Eurocommunist summit" that has taken place was the meeting in Madrid on March 2-3 this year, and it was notable that Berlinguer was extremely reluctant to attend and that the conference ended with a relatively anodyne statement.

Myths of Eurocommunism

Those who argue that Eurocommunism is a qualitatively new form of Communism, shorn of some of the Leninist terrors, rather than a mere tactic for acquiring power via the ballot-box in advanced industrial democracies, derive most of their ammunition from the statements that are put out for public consumption by the Communist Party leaders themselves. Those who maintain that, whether or not Communism in Southern Europe is likely to prove different in kind from Communism elsewhere in the world, it will pose major problems for the Russians, also cite the statements of Soviet bloc leaders who attack "revisionism" and "anti-Sovietism" in the Western parties. Let us single out the major assertions that are made by those who believe that the West can live with Eurocommunism, and see whether any of them stand up:

1. "Eurocommunist parties are independent from Moscow."

Marchais declared early this year that "there is not, there cannot be, it is totally impossible that the Communist movement could again be directed from any center, whether it is an international center or a regional center." (*L'Humanite*, February 14, 1977). The theme is constant in recent statements from Communist Party leaders in France, Italy and Spain.

It was during the run up to the conference of European Communist Parties in East Berlin in June 1976 that the Russians began to engage in direct criticism of the Eurocommunist parties. Spanish Communist leaders like Carrillo and Manuel Azcarate had, of course, long been targets for Soviet propaganda attacks; the Russians had actually tried to cut the ground from under Carrillo's feet by sponsoring rival Communist parties.

But Soviet attacks on Eurocommunism in general in late 1975 and early 1976 seemed to have been largely inspired by the new line of the French Communist Party. The Russians evidently found this harder to swallow than the attitude adopted by the Italian Communists long before. The reason may be that the Russians had always understood that the Italian Communist Party had its own path to tread. Unlike the French Communist Party, the Italian Communists began in the 1920s with the backing of a majority of the socialist movement in Italy, and the decay of the Italian Socialist Party since 1945 has left the Italian Communist Party in the singular position where it can plausibly claim to represent the Left as a whole – in the absence of a serious Socialist rival. While the Russians have always been sensitive to criticism of their behavior towards dissidents at home, such attacks seemed to sting them more when they started to be made – however hypocritically and erratically – by Marchais and his supporters than when they came from Berlinguer.

In any event, in the months before the Berlin summit, a series of heavyweight attacks on "anti-Sovietism" (meaning any and all criticism of Soviet policy) and on "revisionist" tendencies in the Western Communist Parties appeared in the Soviet press. One such attack was that of A. Viktorov (*Pravda*, March 1, 1977). Viktorov took up an earlier critique of the concept of "arithmetic democracy" – in other words, the idea that political decisions should be taken on the basis of one

man, one vote. According to Viktorov "experience has shown that it is impossible to achieve socialism in the framework of a bourgeois state, of bourgeois democracy. History offers numerous examples, the latest of them being Chile."

Russian displeasure has also been expressed indirectly – and frequently in more abusive language – by the leaders of satellite states in Eastern Europe and by hardline pro-Soviet Communists from the Third World and Portugal. Thus the Bulgarian leader, Todor Zhivkov, has been a bitter critic of Eurocommunism, while a member of the Central Committee of the Czech Communist Party wrote in *Rude Pravo* last month that Eurocommunism represents an oblique attack on genuine socialism.

Similarly, hardliners like Alvaro Cunhal from Portugal or Luis Corvalan, the Chilean Communist leader who was released from detention in exchange for Vladimir Bukovsky, have been wheeled out to criticize the errors of Eurocommunist parties.

How are we to interpret these Soviet outbursts? Are such criticisms merely a smokescreen, intended to increase the credibility of claims by Western Communist Party leaders that they are genuinely independent from Moscow?

French and Italian Communist Party leaders continue to attend closed meetings with the Soviet leaders in Moscow, although Marchais goes less frequently than before. Their tone tends to be far more moderate when they are speaking in the presence of senior Soviet officials than when they are speaking for internal consumption, while the party newspapers in both France and Italy regularly censor statements – including those of their own party secretaries – which are deemed too critical of the Soviets. Furthermore, there has been a noticeable retreat towards a more cautious position in the first half of 1977. This was evident at the Madrid meeting in March. In speeches in Budapest and Milan in January, Berlinguer praised the revolution of October, 1917, the "superiority" of the Soviet system over the West, and the "irreversibility" of socialism in the East. He also lauded the principle of "democratic centralism." On April 5th, the Italian Communist Party spokesman, Asor Rosa, declared that democratic centralism and the leading role of the Communist Party of the Soviet Union remained the bases of international communism.

But there are three simple reasons for doubting whether

a Communist Party in government in Western Europe would be able to pursue policies that conflicted with basic Soviet interests. The first, quite simply, is that the debate between Moscow and the Eurocommunist parties has been, so to speak, a discussion within the church. Criticisms of the Soviet Union from Western Communist Parties involve only the internal life of the world Communist movement, and do not affect broader Soviet interests. Thus Western Communist Parties have automatically adopted the Soviet line on international crises such as the Middle East, Angola and Southern Africa. The world view of the Western Communist Parties is a manichean view of a global conflict between "socialism" and "imperialism."

Second, the only genuine example of what Togliatti was describing back in the mid-1950s as "polycentrism" is China, which is big enough and powerful enough to sustain its own version of Communism in the face of Soviet pressures.

Third, the ultra-orthodox pro-Soviet factions inside Western Communist Parties remain very strong, and unregenerate Stalinists are frequently found to have their hands on the levers of power.

Thus, even if it were possible to believe that a leader like Marchais is sincere in what he now says, it remains very doubtful whether the structures of his own party – and the existence of clandestine networks of Soviet agents responsible to the International Department of the Central Committee of the Communist Party of the Soviet Union – would allow him to do anything that ran seriously counter to Soviet policy.*

The fact that the Chinese are publicly skeptical about the

* A newly-published essay for the London-based Foreign Affairs Research Institute by Mr. Ronald Waring is skeptical indeed (and with reasons) of a "change-of-heart" on the part of Europe's Communists. Mr. Waring in his article, entitled "Eurocommunism and Italy," notes that: "It is inconceivable that Moscow could permit a new form of Communist heresy which would be so immensely attractive to the peoples of the Eastern European countries such as Rumania, Hungary and Poland, not to mention to the Russian people themselves. Both Russian imperialism and international Communism themselves would be in mortal danger. Moscow has already attacked Carrillo for splitting Communism by supporting the concept of Eurocommunism, but this condemnation is a tactic to give greater credence to the acceptable "independence" of Eurocommunism and it is worth noting that La Passionara – a creature of the Soviets if ever there was one – voted for Carrillo. The Soviet Union would have the military force to crush such a dangerous situation should it arise, and could easily be called in by a hard core within the Party, after the overthrow of Berlinguer and his adherents, to restore order in the interests of "proletarian internationalism" and the upholding of the Brezhnev Doctrine."

credentials of Eurocommunist parties is revealing, since leading figures in the Italian Communist Party have called for a detente between Russia and China. However, the Chinese have not failed to notice that leading advocates of this approach – such as Alberto Jacoviello – have had their wings clipped by the Party. Their primary concern appears to be that the victory of Western Communist Parties would undermine NATO's defenses, and so strengthen the Soviet Union in its conflict with China.

2. *"If Eurocommunism is independent from Moscow, NATO could live with it."*

It is often argued, by those who maintain that there is some real difference of kind between Western and Soviet Communism, that the election of a Communist Party to government in Paris or Rome could create more headaches for the Russians than for the West. The argument is that this would have a contagious effect on Eastern Europe, encouraging new attempts to produce "socialism with a human face."

Secretary of State Cyrus Vance has employed this argument in what must be taken as the definitive attitude of the Carter administration (at least to date) on Eurocommunism. Speaking recently in the rambling prose style – interspersed with the calculated naivete which seems to be the mark of the new American government – Mr. Vance thought out loud using the following phrases from the *U.S. State Department Stock Phrase Book* (Washington, D.C., 1977).

> We have said that in dealing with our Western allies on vital issues we would prefer to be dealing with countries who have the same fundamental values, the same democratic concerns that we have, and if the Communists were to take a dominant role in those governments, that could present serious problems insofar as we are concerned. We have gone on to say that we think the question, the political question of whether or not Communists should or should not play a part in the government of a particular country is a political issue to be decided by the people of that country and one in which we should not interfere. However, at the same time I say again that does not mean we are indifferent to the fact that they may.

He added that it "is a possibility" that Communists in NATO

governments would lead to new problems for the Soviets, possibly outweighing any difficulties endured by the West. He concluded in *Il Tempo*, incisively with the sentence: "I think it depends on how Eurocommunism develops."

This possibility should not be hastily ruled out. However, it is equally true that the more attractive and independent Communism in one Western country is made to appear, the more likely it is to take root somewhere else. The domino effect of a Communist electoral victory in Paris would be felt in Rome more quickly than in Prague or Warsaw.

The key question for NATO remains: which side would the Eurocommunists take if war broke out between the Soviet Union and the West? The question was put to Lucio Lombardo Radice in a revealing interview in *Encounter*, published in its May, 1977 issue. In the original tape-recorded version of the interview, Radice said "we would choose the Soviet side, of course, and we would do so on grounds of principle....." In the edited version of the interview, the passage was altered at Radice's request to read as follows: "It depends. If there is an imperialist aggression with the avowed objective of rolling back socialism, we would feel entirely absolved of any obligation of loyalty to the defensive character of NATO and take the side of the Soviet Union." Whichever version is deemed more authentic, it is plain that in a war between "socialists" and "imperialists," the Italian Communist Party would find it hard to stand with the "imperialists."

3. "Eurocommunists will respect the rules of the Democratic game."

Assurances from Western Communist Parties that their brand of Communism has become compatible with political liberty would be more plausible if they did not totally subscribe to the doctrine of democratic centralism – which means that all key decisions are taken at the top, and that as soon as the background discussion has taken place, no differences of opinion will be tolerated. In short, while Western Communist Parties attack the historical errors of Stalinism in Russia, they continue to practice Stalinism within their own parties.

The supposedly "liberal" Italian Communist Party, for instance, gave an assurance at its conference in Bologna in February, 1969, that it would tolerate internal differences of opinion. Later that year, after a Stalinist-style show trial,

it exiled the supporters of *Il Manifesto*, a magazine of New Left tendencies, for exceeding the "tolerable" limits of dissent. If Eurocommunist parties cannot tolerate differences of opinion within their own ranks, how is it possible to believe that they will allow political freedom for rival parties if they manage to take power?

The typical reply from Eurocommunist leaders to the question — would they be prepared to bow out peacefully if they lost their popular support? — is that such a situation is impossible to imagine. Thus Lombardo Radice said: "once the working class has acquired hegemony ... it would be difficult to envisage anyone wanting a regression from a better state of society to a worse state." In the same interview, he allowed that "it is in the logic of our policy" that the Italian Communist Party should give up power if it suffered a defeat under the democratic system.

However, his comments on the Soviet intervention in Budapest in 1956 do not encourage confidence that this would happen, and raise the specter of the ultimate instrument that a Communist government in Western Europe could employ to maintain itself in power: the Red Army. Radice admitted that he was in favor of Soviet action in Hungary because "Socialism in Hungary was a weak plant, only some seven years old, and there was danger of a regression to capitalism ..... socialism was as yet without roots, therefore the roots had to be protected." Is it impossible to conceive of a Communist Government in Rome several years hence appealing to the Russians to defend it against the dangers of "a regression to capitalism"?

So how should we interpret statements like Marchais' declaration last year that the "there is no democracy and liberty if there is no pluralism of political parties, if there is no freedom of speech"? (He added that "we have a disagreement with the Communist Party of the Soviet Union about this problem.")

A helpful guide is Lenin, who wrote, in a notorious letter to Chicherin, that "to tell the truth is a bourgeois prejudice. On the other hand a lie is often justified by our ends." There is further evidence for thinking that pluralism would not last long under a Communist government in Paris or Rome. Look at the way the French and Italian Communist Parties deal with the press.

The Italian Communists have been trying to silence a tele-

vision station that is outspoken in its criticism of them, Tele-Monte-Carlo, under Clause 40 of the recent law on Italian broadcasting, which seeks to restrict material transmitted to Italy from abroad. Tele-Monte-Carlo broadcasts an Italian service with a special news program produced by Indro Montanelli, the distinguished conservative journalist and co-founder of *Il Giornale Nuovo*, the Milan newspaper which has systematically exposed the inside workings of the Italian Communist Party. (Montanelli was shot in the legs by terrorists of the "Red Brigades" on June 2nd.) In their communique, they denounced him as "a servant of the bourgeois State and the multi-national companies."

Tele-Monte-Carlo has been a tremendous popular success in Northern Italy, as an alternative to the increasing left-wing bias of the State television network inside the country. So it is no real surprise that the Communist Party, which noticed no illegality about broadcasts from Yugoslavia and Switzerland to Italy, should now be seeking a pretext to gag a formidable critic.

In the case of the French Communist Party, it is even clear that its attitude to press freedom will be based on its ancient philosophy that the truth is what it is expedient to say. When Costa-Gavras' film about the Prague show trials, *L'Aveu*, was first screened, it was attacked by *L'Humanite* as the "exploitation of a bad cause." The film touched a sensitive nerve, not least because it was not forgotten that the French Communist Party forwarded material on members of the International Brigade who had fought in the Spanish Civil War to Prague, to help in preparing the case against Slansky and others.

When *L'Aveu* was screened on French television last December, Jean Kanapa, one of the most pro-Soviet figures in the party leadership, joined a panel to discuss it. He tried to absolve the French Communist Party from the charge that it had tried to cover up the crime of Stalinism by pleading ignorance. "If we had only known," he said, "we would have shouted our indignation."

Within a few days, however, Kanapa's argument of ignorance was demolished by the appearance of a two-part article in *Le Monde* by a Communist Party historian, Jean Ellenstein. He revealed that the French delegation at the 20th Congress of the CPSU, when Khruschev gave his celebrated "secret speech" denouncing Stalin, had been shown the text of the speech the

morning after – but decided not to make public what it contained; Communist Party spokesmen, including Kanapa, had always denied that this had happened.

A *gauchiste* weekly, *Politique Hebdo*, followed up by publishing the personal reminiscences of an ex-member of the Communist Party's Central Committee, Jean Pronteau, who had traveled to Warsaw shortly after the 20th Congress. He was also shown a copy of the Khruschev speech. On his return he went to see Maurice Thorez, the leader of the French Party. Pronteau promptly opened his briefcase and began to read from the text he had brought back from Warsaw. Thorez's response was a classic, "Alright then. You've got it. You could have said so right from the beginning. But remember one thing, this secret speech does not exist."

If the French Communist Party goes to such lengths to conceal the past, would it really be prepared to allow frank discussion of the present if it gained a position of power?

But there is a still broader reason for believing that "Eurocommunism" – like any brand of Marxism-Leninism – is incompatible with the survival of political liberties. The radical changes in economic and social structures that the Communists propose to bring about are not only designed to be irreversible, but are incompatible with political pluralism.

A final cautionary note is that, for every reassurance that a Western Communist Party leader makes about guarantees for political pluralism under a future popular front, it is possible to dredge up a dozen or more from the recent past that say precisely the opposite. One example will have to suffice. It is from Georges Marchais, in *L'Humanite* on December 23, 1970: "We do not believe that the struggle for socialism should be inspired by the system of alternative government (*politique d'alternance*) that, as in England, allows the Conservatives and the Socialists to take turns in power to inflict the worst possible injuries on the workers."

Scenarios For Takeover

Despite the similarities in their recent public posturing, the Communists in France, Italy and Spain face very different political situations and their tactics for acquiring power will diverge in important ways.

In Italy, the Communist Party tactic is to support a lame-duck Christian Democrat government with only minority

support in Parliament while the Communists themselves expand their power within regional government, the media and the labor unions.

While the structural power – and the broad spread of support – that the Italian Communist Party can command make it the most serious long-term threat to NATO, it is the French Communist Party that appears to have an immediate chance of participating in government. With the forces of the center and the right in France divided, against a backdrop of rising unemployment, the Union of the Left has a fair chance of taking control of the French National Assembly in the 1978 elections.

Without doubt, the accession of the Communists to power in Paris would have two inevitable consequences. The first would be financial panic, with huge sums of money being transferred or smuggled abroad, bringing in its train the collapse of the French currency and the fatal weakening of France as a partner in the EEC. Economic crisis would inevitably spill over into a political crisis, in which the claimed necessity to impose import controls and other state regulations could be used to rapidly expand the powers of a left-wing central government. Second, the possibility of any continued, though limited, French involvement in NATO would vanish.

In Spain, the Communists have a long march ahead of them, but will stand to gain from any deepening of the economic crisis (the Suarez government has been running a deficit of some $4 billion) and can count on consolidating their alliance with other groups on the left. What would no doubt suit Communist Party interests based in Spain would be some abortive attempt at a coup from the right that would enable them to posture once again as the defenders of the republic. They have expressed their reluctant acceptance of the monarchy for the time being, but would seek to abolish it as soon as they gained any position of influence.

Communist Party tacticians in all three countries must have been studious readers over the past three years of the series of blue-prints for Communist takeovers that have been issued from Moscow, mostly in the guise of re-appraisals of what went wrong in Chile.

Since Boris Ponomarev published his celebrated article on the lessons of Allende's downfall in *World Marxist Review* in 1974, the Russians have not ceased to lecture the world Communist movement on the tactics that future Allendes, in

Western Europe, will need to adopt in order to avoid the same fate. The most authoritative recent statement on this theme comes from two Soviet specialists called M.F. Kudachkin (who is a senior officer of the International Department of the Central Committee of the CPSU, which Ponomarev controls) and N.G. Tkachenko. They have co-authored a book entitled *The Chilean Revolution – its Experience and Meaning* and an article in the November/December 1976 issue of the Soviet historical journal *Novaya i Noveishaya Istoriva.*

Kudachkin's main conclusion is that Allende failed to understand soon enough that he would be unable to achieve full socialism in Chile by legal means. He observed that the strategy of the Chilean Communist Party – in contrast to that of ultra-leftist groups which demanded a more revolutionary policy – was based on the belief that it was possible to avoid an armed conflict. He maintains that this was the right approach but that the Chilean Communists committed a serious error in over-estimating the democratic character of the armed forces and the bourgeois state system.

Kudachkin, following Lenin, insists that in similar situations the Communists must be prepared "to take all necessary steps, such as armed suppression of insurrection, measures against sabotage, controls and other means of compulsion" in order to maintain themselves in power. The danger of over-commitment to the peaceful road to socialism, in his view, is that it will allow time for the "reactionary" forces to organize themselves and will encourage the emergence within the Socialist camp of "elements of right-wing opportunism."

He regrets that in Chile, the Allende government allowed the opposition considerable freedom, so that the "reactionaries" were able to use their strength in the National Assembly, the Civil Service, the courts and the security forces to prevent the government from carrying through fundamental revolutionary changes. By implication, Kudachkin's advice to the Eurocommunist parties is that, once elected to power, they should not feel inhibited by the constitution which enabled them to assume office but to proceed as rapidly as possible to purge the armed forces and the Civil Service of politically unreliable elements and to clamp down on opposition parties.

Kudachkin insists that the Marxist experiment in Chile again demonstrated that the decisive factor in any revolutionary process is the leading role of the Communist party. The message

to the Eurocommunists is plain: It is that no Western Communist Party should allow itself to get into a position where it may have to play second fiddle to its tactical allies. It could also be read as a warning not to seek political responsibility, before the Communist Party has acquired sufficient power throughout society as a whole, to bring about those radical transformations which it advocates.

When Open-Mouth Diplomacy Works

The policy of many Western governments, that do not have to deal with strong Communist Parties, toward the advance of Eurocommunism can be summed up as accommodation in advance. It was not an uplifting spectacle to see the Socialist governments of Western Europe dropping heavy hints to the Spanish government that it would never gain entry to the EEC or be recognized as fully democratic unless it legalized the Communist Party.

But it is the attitude of the U.S. government that is all-important. It is worth noting the effects of the major policy changes that have taken place since Dr. Kissinger left the State Department. Instead of warning against the effects of Communist successes in Southern Europe, President Carter compliments his team on having lost the "inordinate fear of Communism" and declares that "European citizens are perfectly capable of making their own decisions in the free election process." American diplomats trot along to see Jean Kanapa at the French Communist Party's palatial headquarters at 2, Place Colonel-Fabien; Italian Communists like Elio Cabbugiani, the mayor of Florence, are given U.S. visas and invited to speak before the Council on Foreign Relations.

And, as a former Labor Party Member of the Greater London County Council, Dr. Stephen Haseler, points out in another article in this journal, there is now increasing pressure upon the U.S. State Department to grant visas to so-called Soviet "trade-unionists" to visit the U.S. in their false capacity as elected representatives of workers. This, of course, lends credence to their pronouncements and gives them an acceptability they do not deserve. The AFL-CIO, to its lasting credit, has staunchly opposed such visas for any Communist "trade-unionists" and in a forthcoming article in the Summer 1977 issue of *The Journal of International Relations* (Washington, D.C.), Mr. Jay

Lovestone, a senior foreign policy adviser to George Meany, explains why the trade unions have taken this stand.

It is striking that while Carter's spokesmen on foreign affairs are enthusiastic practitioners of open-mouth diplomacy in relation to anti-Communist governments in the Third World, they fall strangely silent when it comes to discussing the possible consequences of Eurocommunism. Dr. Kissinger recently warned that "we do our friends in Europe no favor if we encourage the notion that the advent of Communists and their allies into power will make little or no difference to our own attitudes and policies."*

Kissinger is right on this. It makes no sense to criticize the policies of governments in sympathy with the U.S. if the U.S. administration is not also prepared to speak out in favor of the democratic, pro-western forces in Europe. While it might be argued that, by criticizing the Communists in France or Italy, the U.S. may risk being accused of intervention in the internal affairs of those countries, there is a far greater danger that, by letting it seem that the election of Communists to Government would *not* produce far-reaching economic and political reactions, the U.S. will assist European Communist Parties to re-assure their own electorates that they would be able to comfortably co-exist with the rest of NATO.

This is *not* the case, and there is no reason for not making it crystal clear that this is so. The reluctance of some West European governments to point out the dangers of a Communist victory helped the Italian Communist Party to make major gains in the June elections last year. Comments made by the late British foreign secretary, Anthony Crosland (in a supposedly off-the-record press conference) about how the Italian Communist Party did not – in his view – pose any major problem for NATO were given major exposure in the Communist press in Rome.

Is it too much to ask that Mr. Carter, and the non-Marxist

* Dr. Kissinger in the same speech lucidly analyzed the credibility of the French Communist Party's new-found belief in democracy: "We are entitled to certain skepticism about the sincerity of declarations of independence which coincide so precisely with electoral self-interest. One need not be a cynic to wonder at the decision of the French Communists, traditionally perhaps the most Stalinist party in Europe, to renounce the Soviet concept of dictatorship of the proletariat without a single dissenting vote among 1,700 delegates, as they did at their party congress in February 1976, when all previous party congresses had endorsed the same dictatorship of the proletariat by a similar unanimous vote of 1,700 to nothing."

governments of Europe, should publicly dissociate themselves from parties that are biologically opposed to the survival of a mixed economy and parliamentary institutions? No NATO member can offer to adopt a posture of studied neutrality on the eve of the 1978 elections in France. This is one of those occasions when open-mouth diplomacy is not only acceptable; it becomes a necessity.

Post-Disaster Policy Options For NATO

The emergence of a "popular front" government including Communists anywhere in Western Europe would pose a major challenge to Western security interests. The argument that the Communists' coalition partners would be able to "domesticate" them is not entirely plausible; it is salutary to remember the rapid moves that were made by the French Communist Party, in an earlier post-war coalition, to colonize those sections of the civil service that came under its control – and notably the ministry of aviation. It would be impossible to avoid giving Communist Party members key cabinet portfolios if a coalition including Communists emerged in France or Italy.

What options would be open to NATO in such an event? The question would be most acute in the case of Italy, since – unlike France – Italy remains a full member of the military alliance, including the NATO Nuclear Planning Group, and the home for important NATO facilities, as well as the NATO Defense College in Rome. It is clearly impossible to devise general guidelines that could be applied in situations as diverse as Italy (a full member of the military alliance), France (which was removed from NATO's integrated command stucture in accord with De Gaulle's strategy of *tous azimuts* in 1966) and Spain (until now kept outside NATO itself, but the site of important U.S. air and naval bases). But it may not be too misleading to suggest some of the alternatives that might well be considered in the case of a Communist Party victory in Italy, some of which might also apply in the case of France – or, even Spain. Five post-disaster options may be summarized as follows.

1. The 'so-what' policy

This is actively canvassed in Washington by two contrasting schools of thought. Thus it is argued either that NATO could live with Eurocommunism (and that, in view of the uncertain

future of neighboring Yugoslavia and possible fear of Soviet disciplinary action, Berlinguer may be serious in his desire to keep Italy in NATO) or that Southern Europe is as good as "lost" anyway, and was never vital to U.S. interests. The second argument can be extended to justify the withdrawal of U.S. forces from Western Europe on the grounds that "it is not the business of the United States to defend Communists against Communists." The isolationist option does not need to be seriously discussed, except by those who imagine that the U.S. could live with a Communist international world order.

2. Quarantine within NATO

A Communist Party government in Rome would be excluded from sensitive NATO discussions, but base facilities would be maintained and Italy would remain a formal NATO member. This could be extended to the doctrine that *countries* may remain members of NATO even if their governments are excluded — the so-called "empty chair" policy. In the event of a continued radicalization of the new government, the NATO bases might be retained rather as Guantanamo in Cuba has been retained by the U.S.

3. Expulsion from NATO

Either by formal vote of the other members, or by making it plain to the suspect country that it was no longer wanted, so that it would finally withdraw.

4. A new defense pact

As an alternative to NATO in its present form. This would include the remaining countries in Western Europe that are unequivocally anti-Soviet. It might also embrace countries farther afield that share the same security interests — e.g., Iran and Brazil.

5. The carrot-and-stick approach

A system of incentives (e.g., economic aid, debt rescheduling, EEC tolerance for import restraints) and deterrents (e.g., denial of credits, trade restrictions) to induce a future "Eurocommunist" government to respect the political liberties of its own citizens as well as Western security interests. This might involve strict instructions on the exclusion of Communists from

sensitive posts in the cabinet and the civil service, notably the defense and interior ministries.

This seems to me the most promising approach, and one that might be applied in the case of either Italy, France or Spain. It would involve drawing detailed lists of the areas of political and social life that could provide an index of how democratic or "European" the new government was proving to be. One of the easiest gauges would be its attitude toward freedom of the press – which, according to the Ponomarev school of thought, is a dangerous weapon of the bourgeoisie which must be taken away as quickly as possible.

It would be useful for the Carter Administration and for private study-groups to undertake in-depth research into how such guidelines might be established and how a subsequent policy of sanctions and rewards might be put into effect. It would be foolish to expect that the EEC would continue to function for long in its present form in the event of a Communist triumph in France or Italy.

There is, of course, a further option: direct intervention on behalf of the anti-Communist forces in a country threatened with revolution via the ballot-box. But after Chile, it looks as if the U.S. has little appetite for covert action to support anti-Communists. The Soviets are not troubled with scruples of this kind. Not only are the Russians prepared to use the Red Army to maintain ideological purity on their side of the Iron Curtain, but they are making a heavy investment in subversion and espionage in Western Europe. The French and Italian Communist Parties are less directly dependent on Soviet financing than in the past, since they are in a position to make sizable profits through their privileged position as brokers for East-West trade and through their control of local government councils. But the arm of the Soviet Union is always there to lean on.

Raymond Aron ends his most recent book, *Plaidoyer pour L'Europe Decadente*, with a chapter entitled "Two Specters Haunt Europe – Liberty and the Red Army." Eurocommunism is not a middle choice. There is no reason to believe that it would prove compatible with liberty. And there is no reason to believe that it would not be overshadowed by the Red Army.

Government Statistics as a Guide to Economic Policy: Food Stamps and the Spurious Increase in the Unemployment Rates

KENNETH W. CLARKSON & ROGER E. MEINERS

President Carter recently signed a multi-billion dollar public works law designed to reduce unemployment by providing major public works jobs. Many of the supporters of this law pointed to the unprecedentedly high rates of unemployment that continued to exist despite the presence of rapidly improving economic conditions.[1] It is not surprising that these supporters use the rate of unemployment as a guideline for macroeconomic policy changes since the Employment Act of 1946 (as amended) explicitly requires the government to promote maximum employment.[2]

What is surprising is the nearly total lack of concern regarding the validity of official measures of unemployment despite warnings of significant biases from government officials and other sources. Significant biases in the unemployment statistics have been identified by a past Commission of Labor Statistics,[3] the Council of Economic Advisors,[4] and the current Special Advisor at the Bureau of Census,[5] but policymakers continue to use the existing unreliable unemployment statistics.

This paper reports some additional findings of our research estimating the biases in existing unemployment statistics introduced by various work registration requirements for welfare recipients. It is our hypothesis that the high measured rates of unemployment of recent years can be explained in large part by a new class of individuals who are either largely unemployable or have no need or desire to work, but who, to

1. For an interesting discussion of the peculiar nature of the current recovery from the most recent recession, see Neil A. Stevens and James E. Turley, "Economic Pause – Some Perspective and Interpretation," Federal Reserve Bank of St. Louis, *Review*, December 1976, Vol. 58, No. 12, pp. 2-7.

2. The rate of unemployment is also used as a measure of welfare. See Stewart Schwab and John J. Seater, "The Unemployment Rate: Time to Give It a Rest?" Federal Reserve Bank of St. Louis, *Business Review*, May/June 1977, pp. 11-18.

3. See Geoffrey H. Moore, *How Full is Full Employment?* (Washington, D.C.: American Enterprise Institute), 1975, for a discussion of problems associated with sample surveys and interpretation of the component parts of the overall statistic.

4. See *Economic Report of the President*, (Washington, D.C.: U.S.G.P.O.), 1974 and 1976, pp. 171-173 and p. 99.

5. See *The New York Times*, October 27, 1976, Editorial Page.

qualify for various welfare benefits, must officially register for work. Thereby, these people, who previously were counted as essentially out of the labor force, are now counted in official unemployment statistics and are labelled unemployed. These welfare benefits include the food stamp program, aid to families with dependent children (AFDC), general state welfare assistance, railroad unemployment insurance, trade readjustment allowance, and other federal programs including general aid to Indians. Each of these programs contains an explicit work registration requirement as a condition of eligibility. We intend to show that recent upsurges in the official unemployment statistics are the result of the introduction of these work registration requirements. These requirements result in the inclusion of many individuals in the ranks of the unemployed who do not fit the traditional definition of unemployed persons, and account for a bias in the unemployment rate of approximately two percentage points.

Alternatively, the observation that reported unemployment in recent years has been at levels unprecedented in post-war history is thought to be the result of several other factors, including the change in the magnitude and duration of payments of unemployment compensation, higher levels of transfer payments for welfare programs, higher values of in-kind transfers, changes in the composition of the labor force, changes in the value of spending time searching for jobs, modifications in manpower programs, and changes in the definition of unemployed persons.[6] Although each of these factors does contribute to the persisting high levels of measured unemployment, our preliminary findings indicate that the single most important factor is the change in certain welfare eligibility requirements.

As noted above, we are not alone in our efforts to uncover potential biases in unemployment statistics from work registra-

6. For a general discussion of many of the problems encountered in dealing with unemployment, see Martin S. Feldstein, "The Economics of the New Unemployment," *Public Interest*, No. 33, Fall 1973, pp. 3-42. Also see, Michael R. Darby, "Three-and-a-Half Million U.S. Employees Have Been Mislaid: Or, an Explanation of Unemployment, 1934-1941," *Journal of Political Economy*, Vol. 84, No. 1, February 1976, pp. 1-16; Martin S. Feldstein, "Unemployment Compensation: Adverse Incentives and Distributional Anomalies," *National Tax Journal*, Vol. 27, No. 2, June 1974, pp. 231-244; Daniel K. Benjamin and Levis A. Kochin, "Searching for an Explanation of Unemployment," unpublished paper, University of Washington, August 1976.

tion requirements. In the 1974 and the 1976 *Economic Report of the President*, it was suggested that AFDC work registration rules may have increased the unemployment rate. The potential biases of AFDC work registration were also identified in a *New York Times* article by Alfred Tella, Special Advisor at the Bureau of the Census. However, there has been no public identification of potential biases in the unemployment statistics arising from the food stamp work registration requirement despite the fact that the Department of Labor was aware of this problem at an earlier time. In a May 1975 report prepared by the Manpower Administration, it was suggested that the work requirement was not effective and probably should be eliminated.[7]

Factors Influencing Unemployment

One of the most common explanations of variations in the level of unemployment has to do with changes in unemployment compensation, including overall benefits and duration of payments. Feldstein, for example, has argued that increases in unemployment compensation can be directly related to higher levels of unemployment.[8] Furthermore, his models show that extensions of unemployment benefits, such as those accompanying the Arab oil boycott in 1973, have also been associated with or identified as a major contributing factor to higher levels of unemployment.

Another common explanation of changes in unemployment is based upon changes in the composition of the labor force. Unemployment may be a reflection of changing characteristics of labor force participants, including marital status, age, sex, minority, or military positions. In particular, since unemployment is typically higher among teenagers, women, and older workers than it is for middle-age males, a higher level of unemployment could reflect a higher proportion of one or more

7. U.S. Department of Labor, Manpower Administration, "The Food Stamp Work Requirements in Perspective," unpublished working paper, May 1975, p. 42.

8. Feldstein estimated that in 1971: "The average U.I. (unemployment insurance) ..... implied by the current law can account for about half of temporary layoff unemployment." Since temporary layoff unemployment was about 1.6 percent, his study suggests that 0.8 percentage points of measured unemployment was due to this one aspect of unemployment compensation. Martin Feldstein, "The Effect of Unemployment Insurance on Temporary Layoff Unemployment," Discussion Paper No. 520, Harvard Institute of Economic Research, Harvard University, Cambridge, Mass., November 1976, p. 33.

of these groups in the labor forces.[9] An examination of the available evidence tends to reduce the probability that a major change in the composition of the labor force has been the contributing factor to the recent levels of unemployment.

Our estimates indicate that even under the most favorable assumptions, the change in the unemployment rate arising from the demographic change in female participation in the labor force could only account for 0.2 of one percentage point, which is less than 10 percent of the total amount we estimate to be attributable to the work registration requirements. The female population, ages 20 and over, from September 1972 (when the work requirements became effective) to September 1976, grew 7.19 percent.[10] Hence, the natural growth of the population would increase the female labor force by 2,151,000.[11] The actual growth in the female labor force was 4,625,000.[12] Thus, 2,747,000 could be called growth in the female labor force not attributable to population changes. Since female unemployment in September 1976 was 7.6 percent, 188,024 would be subtracted from measured unemployment of 7,488,000 to account for the maximum possible impact on measured unemployment due to the increase in female participation in the labor force.[13] This yields a correction of only 0.2 percentage points in the official 7.8 overall unemployment rate for that month.[14]

Total civilian and military employment has varied even less than female employment, reducing the probability that changes in available jobs are responsible for the recent upsurge in unemployment. Table 1, for example, shows that since 1947 civilian employment as a percentage of total population has remained relatively stable, varying approximately 1.7 percentage points in the last five years, or substantially less than the variability in measured unemployment. Military employment as a percentage of total population also has remained relatively stable since 1947 ranging from a high of 3.3 percent in 1952 to a low of 1.4 percent in 1976. Furthermore, the

9. These factors could result from changing labor saving devices in the home or changing views with respect to work, such as those due to "women's liberation."

10. (73,286,000 - 86,369,000)/68,369,000 = 7.19. Data from Bureau of Labor Statistics, *Employment and Earnings*, Tables A-6, A-29 and A-33.

11. (29,915,000) (.0719) = 2,151,000. Data, *supra* note 10.

12. (34,540,000 - 29,915,000) = 4,625,000.

13. (2,474,000) (.076) = 188,024.

14. (7,448,000 - 188,024)/(95,242,000 - 188,024) = .076.

variation in military employment has been less than 0.4 percentage points in the last five years. An examination of the data also reveals no significant change in the number of teenagers in the labor force. The number of teenagers in the labor force has varied less than 1.3 percentage points between 1971 and 1976.[15] This significantly reduces the probability that variations in the teenage labor force are responsible for the new high levels of unemployment.

Higher levels of unemployment might also be explained by a rapid change in the value of individual jobs, since it can be demonstrated that individuals will search longer, hence remain unemployed longer, if the value of the job is increasing or if more jobs become relatively more specialized, requiring more thorough searches.[16] Individuals will search more often and for longer periods of time if the relative costs of job search decline. Since the value of welfare programs, such as food stamps, available to the unemployed has increased, the net loss or cost of being unemployed during job search has fallen. Expanded Congressional appropriations and automatic cost-of-living adjustments have made these programs more accessible and attractive.[17]

15. See Kenneth W. Clarkson and Roger E. Meiners, *Inflated Unemployment Statistics: The Effects of Welfare Work Registration Requirements*, (Coral Gables, Florida: Law and Economics Center, March 1977), Table 5.

16. See Armen A. Alchian, "Information Costs, Pricing, and Resource Unemployment," in *Microeconomic Foundations of Employment and Inflation Theory*, Edmund S. Phelps, ed., (New York: W.W. Norton & Co., 1970), pp. 27-52; and Steven A. Lippman and John J. McCall, "The Economics of Job Search: A Survey," *Economic Inquiry*, Vol. 14. No.3, September 1976, pp. 347-368.

17. It could also be argued that changing international characteristics, such as the oil cartel, have made employers more reluctant to hire individuals, hence contributing to longer periods of unemployment. Finally, immigration may have significantly increased during this period so that American workers have been replaced by foreigners, increases in the minimum wage may have constrained employers from hiring low-wage individuals, or the number of strikes, or individuals involved in work stoppages may have significantly increased.

The minimum wage has been shown to introduce substantial unemployment effects. See, for example, Marshall R. Colberg, "Minimum Wage Effects on Florida's Economic Development," *Journal of Law and Economics*, Vol. 3, October 1960, pp. 106-117. The recent increase in the minimum wage level, however, is highly unlikely to account for the new high levels of unemployment. Adjusted for changes in the consumer price index, the constant dollar (1976 = 100.0) minimum wage levels for 1974, 1975, and 1976 were $2.19 ($1.90/.866), $2.12 ($2.00/.945), and $2.20. It is also unlikely that strikers are significantly altering the rate of unemployment. Calculations based upon Table 37 of the January 1977 issue of the *Monthly Labor Review* reveal that the weighted (by number of days lost) average number of strikers and work stoppages were 589 thousand in 1976 and 179 thousand in

Work Registration Requirements

The most important program with work registration requirements is the food stamp program, enacted in 1964 (P.L. 88-525) for the purpose of assisting low-income households to obtain better balanced and nutritious diets.[18] The program was amended in 1971 (P.L. 91-671) to establish national standards and benefits, to extend the range of benefits, and to implement work registration requirements.[19] Further amendments have broadened the range of eligible recipients and set the federal share of administrative expenses of the program at 50 percent.[20]

By the terms of the 1971 amendment of the Food Stamp Act, each able-bodied person between the ages of 18 and 65, who is a member of a recipient household, shall register for employment at the time of application and at least once every six months thereafter except for:

1) mothers or other household members who have responsibility for the care of dependent children under 18 years of age or of incapacitated adults;
2) students enrolled at least half-time in any school or training program recognized by any federal, state or local governmental agency;
3) persons employed and working at least 30 hours per week;
4) any narcotics addict or alcoholic who regularly participates as a resident or nonresident in a drug or alcoholic treatment and rehabilitation program.[21]

As in the case of participants in the Work Incentive program (WIN), employment offered to the registrants must meet federal and state minimum wage standards, the work must not unreasonably impair the health and safety of the registrant, the individual must be physically and mentally fit to perform the

1975. Compared to the average of 663 thousand during 1970-1974, the changes in unemployment since that time clearly do not arise as a result of strikes and work stoppages.

While these factors may be important in their effects on the unemployment rate, individually and in total, they do not appear to be the causes of the current high rate of unemployment.

18. Kenneth W. Clarkson, *Food Stamps and Nutrition* (Washington, D.C.: American Enterprise Institute), 1975.

19. *Id.*

20. *Id.*

21. 7 U.S.C.S. § 2014 (c) (1976).

employment, and it must not be unreasonably distant from his residence.[22]

As in the WIN program, food stamp work registrants who refuse suitable employment can be barred from receiving food stamps, following various administrative hearings and appeals. To prevent double registration of WIN registrants, any individual who has registered for participation in the WIN program shall be regarded by the Food and Nutrition Service as having fulfilled the food stamp work registration requirements.[23] If the recipient has a work application already on file, a copy of the registration form is placed in the applicant's file. If the work application is in the inactive files, it is reactivated upon receipt of the food stamp registration form and the applicant is placed with the other current job seekers.

To facilitate the registration process, the U.S. Department of Agriculture (USDA) elected to have the welfare agencies conduct the actual work registration as part of the overall food stamp application process. The Department of Labor's involvement with the food stamp program began in December 1972, after an interagency agreement was signed with USDA to carry out the statutory requirements. The Employment and Training Administration (Department of Labor), through the state employment service offices, assumed the responsibility of accepting from state welfare agencies the work registration forms of food stamp applicants not exempt from the work registration requirement.

Food stamp applicants who have registered for work are used to fill job requests in the same manner that other employment service applications for work are processed. Thus, applicants may be called in by the employment service for the purpose of specific services such as testing, counseling, referral to training programs for employment, or for the service to obtain additional information. The actual process is summarized in House Report 94-1460.[24]

Total work registration of food stamp recipients has grown from approximately 1 million in fiscal year 1973 to 3.6 million in fiscal year 1976.[25] Part of this growth presumably is the

22. 7 C.F.R. § 271.3 (d) (1977).

23. U.S. Congress, House, *Food Stamp Act of 1976*, H.R. 94-1460, 94th Congress, 2nd Session, September 1, 1976, p. 187.

24. *Id.*, at 188.

25. U.S. Department of Labor, Employment and Training Administration,

result of the increased budgets for employment registration. In fiscal year 1972, for example, the federal portion of employment registration was $8.5 million, increasing to $27.2 million in fiscal year 1976.[26]

The second major program with work registration requirements is Aid to Families with Dependent Children (AFDC). Title IV of the Social Security Act of 1935 establishes a federal program to subsidize states for cash grants and services to needy families with children and for child-welfare services.[27] The federal government bears most of the cost of transfer payments and social services for qualified persons who have been registered for AFDC by a state or local welfare agency.

The first Work Incentive (WIN) Program was authorized January 2, 1968 by Public Law 90-248, which amended the Social Security Act, Title IV, Part C, to provide training and employment services for AFDC recipients.[28] From its inception in August 1968 to the end of April 1970, 155,000 individuals enrolled in WIN across all 50 states.[29] WIN programs use a variety of techniques including on-the-job training, institutional training, work experience, and counseling to help prepare AFDC recipients for the job market. Various social services, such as child care, are provided to participants and many are given incentive payments of $30 a month during training.[30] By April 30, 1972 over 385,000 persons had been enrolled in WIN programs at a total cost of $456 million.[31]

In December 1971, Congress amended the WIN program (Public Law 92-223) and significantly altered the structure

unofficial statistics (1976).

26. U.S. Congress, Congressional Budget Office, "The Food Stamp Program: Income or Food Supplementation?", Budget Issue Paper, (Washington, D.C.: U.S.G.P.O.), 1977.

27. Social Security Act, Title IV, Grants to States for Aid and Services to Needy Families with Children and for Child-Welfare Services (42 U.S.C.S. § § 601-610, 620-626, 630-644). For a general discussion of the program, see *Handbook of Public Income Transfer Programs: 1975*, Paper No. 20, Studies in Public Welfare, Joint Economic Committee (Washington, D.C.: U.S.G.P.O.), 1974, pp. 140-170.

28. For the history of the WIN program, see *WIN in 76, The Work Incentive Program*, Seventh Annual Report to the Congress, U.S. Department of Labor, 1976, pp. 21-25.

29. *The Work Incentive Program*, First Annual Report to the Congress, U.S. Department of Labor, June 1970, p. 16.

30. *The Work Incentive Program*, Fifth Annual Report to the Congress, U.S. Department of Labor, 1975, p. 5.

31. *The Work Incentive Program*, Third Annual Report to the Congress, U.S. Department of Labor, June 1972, p. 18.

and operation of the program.[32] The new version of the WIN program changed the emphasis of the program from manpower training to direct placements in jobs and on-the-job training. It also required mandatory registration of AFDC applicants for employment or training with the local manpower agency, unless they were legally exempt.

Although there have been numerous administrative changes in the program, the basic structure of the program has not changed since 1972. However, in March 1976, a potentially important change occurred in the consolidated Department of Labor and Department of Health, Education, and Welfare WIN program regulations.[33] These regulations transferred responsibility for registration in the WIN program from the local welfare agency to the WIN program sponsor, usually the state employment service. This change was intended to provide registrants with immediate exposure to labor market information and job opportunities.

According to the 1976 regulations covering the WIN program, each AFDC applicant and recipient shall register for manpower services, training and employment as a condition of eligibility for AFDC unless the applicant is:

1) under age 16;
2) regularly attending school and age 16 but not yet 21 years;
3) ill (requiring medical evidence);
4) incapacitated (requiring medical evidence);
5) 65 years of age or older;
6) too remote from a WIN office;
7) a caretaker in the home of another member of the household requiring the individual's presence in the home (verified);
8) a mother or caretaker relative of a child under age 6; or
9) a mother or other female caretaker of a child, when the nonexempt father or other nonexempt adult male relative in the home is registered and has not refused to participate in the program or to accept employment without good cause.[34]

Individuals who refuse to comply with the regulations can

32. *Supra* note 28, at 22.
33. 29 C.F.R. §56 (1976).
34. 29 C.F.R. §56.20 (1976).

be denied AFDC, after an administrative appeals process. Individuals who must register for the WIN program are required to take part in training activities if they are selected for such (for which they are frequently paid extra), and must accept assignment to employment. All job and training assignments must be within the scope of an individual's employability plan and must be related to the capability of the individual to perform the task assigned.[35]

One of the primary impacts of the WIN program has been the registration with the employment service of a large number of AFDC recipients. Through fiscal year 1976, a total of 2.1 million have been registered, including 1.2 million registrants carried forward from prior years.[36] Approximately 10 percent of the total WIN work registrants entered full-time employment during the fiscal year 1976, and another 7 percent were enrolled in governmentally-funded employment and training programs.[37] Consequently, most WIN work-registrants are not temporarily unemployed.

It is interesting to note that at the initiation of the current regulations there were some criticisms expressed of the job search process for WIN registrants. These included concerns that some of the registrants were unemployable, so that registration for employment would have no effect, and that there were insufficient supportive services for registrants, presumably meaning job counseling, job training, and other job assisting skills.[38] Similar criticisms were expressed in an evaluation of the WIN program prepared for the Employment and Training Administration by private consultants. That study noted that "WIN participants were no *more* likely, on average, to leave welfare than non-participating registrants with similar characteristics."[39]

The majority of federal cash and in-kind transfer programs, whether or not they have income tests, do not have work requirements. Several states have their own work requirements

35. *Id.*;
36. *Supra* note 28, at 6-7.
37. *Id.*
38. 40 Fed. Reg. 43170 (1975).
39. Pacific Consultants, Camil Associates, and Ketron, Incorporated "The Impact of WIN II: A Longitudinal Evaluation of the Work Incentive Program (WIN)," Summary of Report MEL 76-96, prepared for the Office of Policy, Evaluation and Research, Employment and Training Administration, U.S. Department of Labor, September 1976, p. 5.

for AFDC and general assistance recipients. However, state work requirements for AFDC recipients cannot conflict with the federal WIN program requirements.[40] In addition, there are work requirements for the General Aid to Indians and Trade Readjustment Allowances programs, but these programs are numerically insignificant compared to the AFDC and food stamp programs' work registrants. Finally, federal and state unemployment compensation systems have work requirements. However, the food stamp program and the AFDC program are the only major transfer programs which have recently introduced work registration requirements. Therefore, they are the only programs likely to have affected recent unemployment measures.

Measuring Unemployment

Each month the Bureau of Labor Statistics analyzes and publishes information on population, labor force, and unemployment. The information is collected according to a variety of social demographic and economic characteristics. The statistics that concern us here, however, are derived from the Current Population Survey which is conducted by the Bureau of Census for the Bureau of Labor Statistics. In this survey unemployment is defined as follows:

> *Unemployment*: Unemployed persons include those who did not work at all during the survey week, were looking for work, and were available for work during the reference period except for temporary illness. Those who had made specific efforts to find work within the preceding 4-week period — such as by registering at a public or private employment agency, writing letters of application, canvassing for work, etc., are considered to be looking for work.[41]

Three key elements determine whether an individual surveyed by the Bureau of the Census is counted as unemployed: not working, available for work, and looking for work. Since the first two requirements are satisfied by registering for work as part of the eligibility for the particular public program, we will concentrate on what constitutes "looking for

40. Woolfolk v. Brown, 358 F. Supp. 524 (1973, Dist. Ct. Va.); motion denied, 393 F. Supp. 263 (1975, Dist. Ct. Va.).

41 U.S. Department of Labor, Bureau of Labor Statistics, *BLS Handbook of Methods*, (Washington, D.C.: U.S.G.P.O.), 1976, p.5.

work." Some hint of that is given in the Bureau of Labor Statistics, *Handbook of Methods*, particularly the section cited above. More importantly, the *Interviewer's Reference Manual* used for the *Current Population Survey* explicitly states that "registration in a public or private employment office" constitutes looking for work.[42] With respect to Aid to Families with Dependent Children (AFDC) and the Work Incentive (WIN) program, unemployment includes situations in which the individual is receiving either institutional training or working on special work projects. In particular, the *Interviewer's Reference Manual* specifies that persons in the WIN program should be treated as follows:

> Classify persons receiving public assistance or welfare who are referred and placed in an on-the-job or skill training program as *employed* if receiving on-the-job training or *unemployed* if receiving institutional training only. Consider persons receiving public assistance or welfare who are placed on special work projects which involve no pay other than welfare itself as unemployed.[43]

These regulations raise an important issue — whether these regulations cause individuals who must register at the employment service to respond that they are looking for work when canvassed by the Bureau of the Census. First, we must ask, do registrants who would choose not to work find that the registration requirements represent a constraint on their behavior? If not, we can conclude it is costless to register for work and then do nothing. It is always possible, of course, that some individuals who registered for work because of food stamps or AFDC do not report themselves to be unemployed when the canvasser from the Bureau of the Census asks them if they are unemployed, but the incentives and pressures are against such behavior. They have been told by one government official that they must be actively seeking work or they will lose their benefits. When another government worker comes to the door and asks them if they are actively seeking employment, they would minimize their risk, at no cost, by answering in the affirmative.

Available evidence supports the proposition that work

42. U.S. Department of Commerce, Bureau of the Census, *Current Population Survey: Interviewer's Reference Manual*, CPS-250, rev. August 1976, p. D6-9.

43. *Id.*, at D6-15.

registration imposes considerable pressure on individuals to find jobs. In fact, since the beginning of the food stamp work registration requirements through March 1976, more households failed to comply with the requirements (and had their benefits terminated) than obtained jobs.[44]

A recent study prepared for the Department of Labor provides some insights into the precise nature of welfare recipients subject to the work registration requirements.[45] This study was designed to consider the merits of alternative methods of increasing the pressure on work registrants to search the labor market more diligently and to accept more jobs. In examining this problem the authors sought to determine "whether existing work tests affected the timing and quality of jobs found after a period during which a person received welfare benefits and had to register with the Employment Service (ES) in connection with their receipt."[46]

The study was conducted by analyzing three cities which had different enforcement of the food stamp work registration program and two cities which had different AFDC work test implementation procedures. For example, one city with AFDC work registration required registrants to appear at the employment service to review job listings while picking up their welfare checks. The other city required registrants to search for job openings and report to the employment service for a review of such search efforts. In each of the five cities, the authors identified six measurable aspects of the work tests that could be applied to an individual. These include the following: 1) called-in to the employment service office, 2) called-in frequently, 3) questioned about job search activities, 4) asked for proof of job search activities, 5) referred to a job, and 6) pressured to accept a job.[47]

The study's analysis of these criteria indicated that among the three cities which had food stamp work tests there were substantially different levels of enforcement. The study also revealed evidence of pressure on registrants who remained unemployed, but that the success of these operations was

44. *Supra* note 23, at 38.

45. Robert Evans, Jr., et al., "The Impact of Work Tests on the Employment Behavior of Welfare Recipients," unpublished study prepared for the U.S. Department of Labor, Manpower Administration, May 1976.

46. *Id.*, at 1-2.

47. *Id.*, at 3.

very weak. In most cases, the tendency to increase the probability of returning to work was not statistically significant.[48]

Large numbers of individuals must register for work and as a result be counted in the official unemployment statistics. If these individuals generally prefer not to work, given existing incentives, or are largely unemployable, the work registration requirements will permanently increase the measured rate of unemployment. This means that the unemployment data collected since the implementation of the work registration programs are not comparable to the data collected before that time. More importantly, the data collected are invalid for public policy purposes since they are now based on incorrect notions of what the unemployment figures represent . On this basis alone it can be argued that individuals registered as unemployed under work registration requirements should be reported separately.

An important question is how effective the various work registration programs are in inducing recipients to become employed. The available evidence reveals that the existing registration program has not had a high rate of success. The figures show that .more than 90 percent of net available applicants are placed neither in job positions nor training programs. [49] Data published in the Work Incentive program also reveal a low rate of success for job placement. For example, the seventh annual Work Incentive program report to the Congress indicates that approximately 10 percent of the total individuals registered in WIN (2,117, 754) entered employment and 7 percent were placed in training programs during fiscal year 1975.[50]

In addition, a U.S. Department of Labor working paper provides further evidence that work registrants are generally not available for jobs:

> The net result ..... is that an undetermined percentage — perhaps the majority — of the food stamp work registrant population are individuals who are not really available for work or acceptable to employers. Yet the processing of registrations goes on and the volume of registrants on file continues to swell.[51]

48. *Id.*, at 5.
49. *Supra* note 15, at Table 6.
50. *Supra* note 28, at 6-7.
51. *Supra* note 7, at 22-23.

Effects of Work Registration Requirements

Although most people are aware of the unusually high levels of unemployment, few have examined the underlying changes in the population, the labor force, and the rate of employment. Table 2 shows these aggregate variables from June 1974 through February 1977. Not unexpectedly, the total non-institutional population (age 16 and over), total labor force, and civilian labor force increased steadily throughout this period.

On the other hand, civilian employment fell from a high of 86.4 million in July 1974 to 83.8 million in March 1975. The latter corresponds with the highest unemployment rate registered since the Great Depression. By Spring 1976, however, civilian employment had returned to the previous high of July 1974 and has continued to rise since then. Civilian employment as a percentage of the total population shows a similar pattern. Despite these favorable signs, the rate of unemployment (also given in Table 2) has not fallen as much as would be expected.

A preliminary estimate of the impact of the work registration requirements on measured unemployment can be obtained using the information available from the Department of Labor and official Bureau of Labor Statistices publications. Table 3 shows estimates of the effects of the food stamp work registration requirements on unemployment rates. Column 2 gives the monthly figure for total measured unemployment. Column 3 displays the number of food stamp work registrants with active files in the state employment service offices.[52] Column 4 shows the decrease in the civilian labor force (which is obtained from Table 2) by excluding food stamp work registrants because these people would not have been included in the measured labor force were it not for the work registration requirements. Column 5 makes the same adjustment for total unemployed. Consequently, the official measured rate of unemployment in Column 6 can now be compared with the rate of unemployment corrected for individuals subject to food stamp work registration requirements (shown in Column 7).

The differences are substantial. For example, Table 3 shows that in May 1975 the corrected rate of unemployment was 8.0 percent, or 1.2 percentage points below the official measured

52. U.S. Department of Labor, Employment Series Automated Reporting Systems, unpublished statistics, Table 6 (1976).

rate of unemployment. More recently, the corrected rate of unemployment for February 1977 is 6.2 percent, or 1.3 percentage points below the official rate of unemployment. It should be noted, however, that these estimated corrections may represent the lower limit on the correction attributable solely to the food stamp registration requirement. This is because there is a large number of inactive food stamp work registrants who are carried in state employment service files until the end of each fiscal year. For example, in September 1976 there were approximately 1.9 million inactive food stamp work registrants on file in state employment service offices.[53]

While complete data on other work registration programs are unavailable at this time, we are able to provide a preliminary estimate of the aggregate consequences of both the food stamp and the AFDC work registration requirements for 1974, 1975, and 1976. Table 4 gives the average civilian labor force, average official unemployment, and average official unemployment rates for each of these years. This table also shows the average number of food stamp work registrants with active employment service files. In addition, the number of mandatory work registrants for the AFDC's WIN program are shown in this table.[54] These figures permit an estimate of the influence of these two work registration programs on measured unemployment. Average active work registrants for the food stamp program and net mandatory registrants for the WIN program for each year are subtracted from average official unemployment figures for the calendar year.[55] Work registrants in the food stamp and the WIN programs are also subtracted from the average civilian labor force. These results yield the corrected average unemployment and the corrected civilian labor force.[56] Consequently, dividing the former by the latter yields a corrected unemployment rate.

These corrections reveal rather striking revisions in the unemployment rates for 1974, 1975, and 1976. In 1974, the official unemployment rate was approximately 1.6 percentage points above the rate associated with our initial corrections. In

53. Completed from statistics reported in Clarkson and Meiners, *supra* note 15.

54. *Supra* note 52, at Table 32; Office of Information Systems, National Center for Social Statistics, *The Work Incentive Program*, NCSS Report E-5.

55. Double registrants under ESARS are eliminated.

56. *Id.*

1975, when official unemployment averaged 8.5 percent, the actual percent of the labor force actively seeking positions (the traditional definition of unemployment) was closer to 6.4 percent. Finally, in 1976, a year in which other economic indicators clearly pointed to a recovery, unemployment was approximately 5.6 percent rather than the officially measured 7.7 percent. Although more precise figures on net applicants, renewals, and placements will undoubtedly cause minor revisions in these corrections of the unemployment rate, the basic pattern of substantially lower rates of unemployment is likely to hold.[57]

Supporting Evidence

There are a number of alternatives that can be investigated to provide suuporting independent evidence of the correction discussed above. First, are the corrected rates of unemployment consistent with previous periods? In Table 5, periods of relatively high, medium, and low employment (the ratio of civilian employment to total population) between 1950 and 1976 are shown together with the corresponding rate of unemployment compiled and published by the U.S. Department of Labor. During periods of low employment (55.15 to 55.57 percent), measured unemployment compiled and published by the U.S. Department of Labor averaged 4.9 percent of the total non-institutional population. Yet, in 1975, a similar rate of employment (55.25 percent) was associated with a measured unemployment rate of 8.5 percent. Medium employment periods, in which unemployment averaged 4.4 percent, have been associated with civilian employment averaging 56.0 percent of the population. But, in 1976, a 56.1 percent employment rate yielded a 7.7 percent rate of unemployment, almost double the historical average. Finally, the second highest period of employment in the past 25 years, which occurred in 1969, had civilian employment of 56.5 percent associated with a 3.5 percent rate of unemployment.

57. We are curently examining variations in work registration requirements among the states, as well as examining the influence of the traditional factors which are considered to contribute to variations in the rate of unemployment. Our research is not the first to study conceptual errors in the standard Bureau of Labor Statistics unemployment estimates. Darby discovered that measured unemployment in the 1930's depression was overcounted by 2-3.5 million people, which accounted for 4-7 percentage points in the unemployment rate. See *supra* note 6.

However, the highest employment rate since World War II, 57.0 percent in 1974, yielded a higher than average rate of measured unemployment of 5.6 percent.

This table clearly shows that the 1974-1976 official unemployment rates do not fit previous historical patterns. Our corrections, however, yield unemployment levels that are consistent with earlier periods. Thus, our estimate of 4.0 percent unemployment for 1974 is consistent with the historical relationship between unemployment and civilian employment (as shown in Table 5) during periods of high employment, as illustrated by the 3.5 percent unemployment of 1969. Similarly, our estimates are also consistent with periods of medium levels of employment as a percentage of the total labor force. The average 4.4 percent unemployment in such periods is clearly in line with our corrected 5.6 percent rate of unemployment for 1976. Finally, an examination of the relationship of periods of relatively low civilian unemployment rates (which averaged 4.9 percent) also confirms that our corrected unemployment rate estimate (of 6.4 percent for 1975) is more consistent with and comparable to the unemployment rates of past years.

Food Stamp Recipients

Second, what is the unemployment rate of welfare recipients who are and are not subject to work registration requirements? Further independent evidence of the bias created in the measurement of the unemployment rate is provided in a USDA study on the food stamp and food distribution programs in November 1973. As seen in Table 6, the real income (monetary plus in-kind transfers) of the participants in the programs was nearly identical and their employment rates (both full-time and part-time) were identical. Food stamp recipients who are subject to work registration requirements, however, reported a higher level of unemployment than did the food distribution recipients who are not required to register for work. Considering the nearly identical nature of the program participants, the fact that the food stamp recipients reported 9 percent unemployment, compared to the 7 percent rate for food distribution recipients, represents further evidence that our hypothesis is correct.

Third, an examination of the impact of work registration

requirements for AFDC mothers supports the proposition that the work registration requirements will increase the number of individuals who report that they are "looking for work" and are reported as unemployed. In 1971, one year prior to the institution of work requirements for AFDC recipients, unemployment among mothers in the AFDC program who were living at home was 5.7 percent,[58] which was 1.2 percentage points *below* the average female unemployment during that year (6.9 percent).[59] In 1973, one year after the institution of work registration requirements for AFDC mothers, unemployment for AFDC mothers was 11.5 percent[60] or 5.5 percentage points *above* the unemployment rate for females in general (6.0 percent).[61] This seems to be clear evidence that the primary impact of the work registration requirement on AFDC mothers was to encourage more of them to claim themselves to be "actively seeking work," when they had not done so in the past. This result clearly supports an inflation in the statistics reporting female unemployment since 1972.

Finally, the statistics measuring unemployment are not in line with the performance of the rest of the economy. Although there was a recession from 1973-1975, the evidence is that we have moved out of the slump quicker than we have recovered from most recessions in the past.[62] By every standard economic measure: real GNP, real inventory investment, real final sales and money supply, we have rebounded from the last recession so that unemployment should have returned to its traditional levels. This, combined with strong gains in employment, make the current measurements of unemployment very suspect, adding additional support to our hypothesis.

Conclusion

Future research on unemployment will surely yield a more accurate assessment of the exact magnitude of error attributable to individual work registration programs. However, it is unlikely that our general conclusions will be altered. There is, in fact,

58. *Economic Report of the President*, 1974, p. 172.
59. Bureau of Labor Statistics, *Employment and Earnings*, Table A-33.
60. *Supra* note 58.
61. *Supra* note 59.
62. *Supra* note 2.

a permanent increase in the number of individuals included in the unemployment statistics that represent a new class of individuals who are not seeking work. Prior to the introduction of work registration requirements in the early 1970's, as a condition for receiving food stamps or other welfare benefits, most of these individuals would not have entered into the measured unemployment statistics.

Since the unemployment rate is often used as a basis for policy decisions and as a triggering mechanism for certain government programs, it is important to distinguish between the purely statistical effects due to new paper-work or institutional requirements and true unemployment attributable to more traditional reasons for identifying individuals as unemployed. There are, for example, at least four programs whose benefits are triggered by increases in the unemployment rate. These include the Comprehensive Employment and Training Act of 1973, Public Works and Economic Development Act of 1965, Public Works Employment Act of 1977, and Executive Order No. 4 governing defense manpower.[63]

An official unemployment rate that is biased upward has immediate impacts on the allocation of funds for federal programs designed to help individuals in hardship cases and on total government funding through increases in the federal budget. Equally important, persistent unemployment prompts political pressures for the government to take additional forms of action to alleviate such "problems," but, as we have shown, the particular problem such policies are trying to alleviate may not exist at all. Clearly we are left with two choices: either the official unemployment statistic should carry a "truth in advertising" warning, or it should be revised to reflect the traditional reasons for registering individuals as unemployed.

63. See 29 U.S.C. 801 *et seq.*, 42 U.S.C. 3131 *et seq.*, and 42 U.S.C. 6701 *et seq.* With the exception of the Public Works Employment Act of 1976, the triggering mechanisms for these programs are similar. The Department of Labor issues a publication called *Area Trends* which gives the unemployment rate for various regions of the country. These areas can apply for increased federal funds under these programs if they meet the test of either "substantive unemployment" or "persistent unemployment." Substantive unemployment is defined as an unemployment rate of 6% or more together with an estimate of a continuation of this rate for two or more months in the future. Persistent unemployment is defined as areas with at least a population of 250,000 with an unemployment rate of 6% or more during the last calendar year. In addition, the affected area must have an unemployment rate 50%

or more above the national average for three of the last four calendar years. The rate must have been 75% or more above the national average for two of the last three calendar years, and the unemployment rate must have been at 100% or more above the national average for one of the last two calendar years. The requirements for the Public Works Employment Act of 1977 are not as stingent. Approximately 75% of the funds allocated under the Act are given to states and to local governments with unemployment rates above the national average, with the remaining 30% given to areas with rates less then the national average but at least 6.5% percent unemployment.

Table 1

Civilian Employment, Military Employment, and Unemployment, Noninstitutional Population 16 Years and over, 1947-1976

Year	*Civilian Employment as a Percent of Total Population*	*Military Employment as a Percent of Total Population*	*Unemployment as a Percent of Labor Force*
1947	55.2%	1.5%	3.9%
1948	55.8	1.4	3.8
1949	54.6	1.5	5.9
1950	55.2	1.6	5.3
1951	55.7	2.9	3.3
1952	55.4	3.3	3.0
1953	55.3	3.2	2.9
1954	53.8	3.0	5.5
1955	55.2	2.7	4.4
1956	56.1	2.5	4.1
1957	55.7	2.4	4.3
1958	54.2	2.3	6.8
1959	54.8	2.2	5.5
1960	54.9	2.1	5.5
1961	54.2	2.1	6.7
1962	54.2	2.3	5.5
1963	54.1	2.2	5.7
1964	54.5	2.2	5.2
1965	55.0	2.1	4.5
1966	55.6	2.4	3.8
1967	55.8	2.6	3.8
1968	56.0	2.6	3.6
1969	56.5	2.5	3.5
1970	56.1	2.3	4.9
1971	55.5	2.0	5.9
1972	56.0	1.7	5.6
1973	56.9	1.6	4.9
1974	57.0	1.5	5.6
1975	55.2	1.4	8.5
1976	56.1	1.4	7.7

Sources: Bureau of Labor Statistics, *Employment and Earnings,* Table A-1. Employment and Training Administration, *Employment and Training Report of the President,* 1976, Table A-1.

Table 2

Population, Employment and Unemployment, 16 years and over, June 1974 - February 1977 (adjusted for seasonal variations)

Month		*Total Non-institutional Population (thousands)*	*Civilian Labor Force (thousands)*	*Civilian Employment (thousands)*	*Civilian Employment as a Percentage of Total Population (percent)*	*Unemployment Rate (percent)*
June	1974	150,710	90,857	86,088	57.1	5.2
July	1974	150,922	91,283	86,403	57.3	5.3
Aug.	1974	151,135	91,119	86,274	57.1	5.4
Sept.	1974	151,367	91,705	86,402	57.1	5.8
Oct.	1974	151,593	91,844	86,304	56.9	6.0
Nov.	1974	151,812	91,708	85,689	56.4	6.6
Dec.	1974	152,020	91,803	85,202	56.0	7.2
Jan.	1975	152,230	92,091	84,562	55.5	8.2
Feb.	1975	152,445	91,511	84,027	55.1	8.2
Mar.	1975	152,646	91,829	83,849	54.9	8.7
Apr.	1975	152,840	92,262	84,086	55.0	8.9
May	1975	153,051	92,940	84,402	55.1	9.2
June	1975	153,278	92,340	84,444	55.1	8.6
July	1975	153,585	92,916	85,078	55.4	8.4
Aug.	1975	153,824	93,146	85,352	55.5	8.4
Sept.	1975	154,052	93,128	85,158	55.3	8.6
Oct.	1975	154,256	93,213	85,151	55.2	8.6
Nov.	1975	154,476	93,117	85,178	55.1	8.5
Dec.	1975	154,700	93,129	85,394	55.2	8.3
Jan.	1976	154,915	93,473	86,226	55.7	7.8
Feb.	1976	155,106	93,597	86,471	55.7	7.6
Mar.	1976	155,325	93,862	86,845	55.9	7.5
Apr.	1976	155,516	94,376	87,329	56.2	7.5
May	1976	155,711	94,551	87,640	56.3	7.3
June	1976	155,925	94,704	87,533	56.1	7.6
July	1976	156,142	95,189	87,783	56.2	7.8
Aug.	1976	156,367	95,351	87,834	56.2	7.9
Sept.	1976	156,595	95,242	87,794	56.1	7.8
Oct.	1976	156,788	95,302	87,738	56.0	7.9
Nov.	1976	157,006	95,871	88,220	56.2	8.0
Dec.	1976	157,176	95,960	88,441	56.3	7.8
Jan.	1977	157,381	95,516	88,558	56.3	7.3
Feb.	1977	157,584	96,145	88,962	56.5	7.5

Source: Bureau of Labor Statistics, *Employment and Earnings*, Table A-33.

Table 3

Estimates of the Impact of the Food Stamp Program Work Registration Requirement on Unemployment June 1974 - February 1977

Date		*Measured Unemployment*[a] *(thousands)*	*Active Food Stamp Work Registrants (thousands)*	*Corrected Civilian Labor Force*[b] *(thousands)*	*Corrected Unemployment (thousands)*[c]	*Measured Rate of Unemployment (percentages)*	*Corrected Rate of Unemployment (percentages)*
June	74	4,769	727	90,130	4,402	5.2	4.5
July	74	4,880	657	90,626	4,223	5.3	4.7
Aug.	74	4,925	703	90,496	4,222	5.4	4.7
Sept.	74	5,303	754	90,951	4,549	5.8	5.0
Oct.	74	5,540	804	91,040	4,736	6.0	5.2
Nov.	74	6,019	871	90,837	5,148	6.6	5.7
Dec.	74	6,601	969	90,834	5,632	7.2	6.2
Jan.	75	7,529	1,112	90,979	6,417	8.2	7.1
Feb.	75	7,484	1,240	90,271	6,244	8.2	6.9
Mar.	75	7,980	1,318	90,511	6,662	8.7	7.4
Apr.	75	8,176	1,245	91,017	6,931	8.9	7.6
May	75	8,538	1,231	91,709	7,307	9.2	8.0
June	75	7,896	1,232	91,108	6,664	8.6	7.3
July	75	7,838	1,201	91,715	6,637	8.4	7.2
Aug.	75	7,794	1,198	91,948	6,596	8.4	7.2
Sept.	75	7,970	1,190	91,938	6,780	8.6	7.4
Oct.	75	8,062	1,180	92,033	6,882	8.6	7.5
Nov.	75	7,939	1,167	91,950	6,772	8.5	7.4
Dec.	75	7,735	1,193	91,936	6,542	8.3	7.1
Jan.	76	7,247	1,217	92,256	6,030	7.8	6.5
Feb.	76	7,126	1,243	92,354	5,883	7.6	6.4
Mar.	76	7,017	1,267	92,595	5,750	7.5	6.2
Apr.	76	7,047	1,170	93,206	5,877	7.5	6.3
May	76	6,911	1,245	93,306	5,666	7.3	6.1
June	76	7,171	1,243	93,457	5,928	7.6	6.3
July	76	7,406	1,236	93,953	6,170	7.8	6.6
Aug.	76	7,517	1,226	94,125	6,291	7.9	6.7
Sept.	76	7,448	1,193	94,049	6,255	7.8	6.7
Oct.	76	7,564	1,299	94,003	6,265	7.9	6.7
Nov.	76	7,651	1,248	94,623	6,403	8.0	6.8
Dec.	76	7,519	1,248	94,712	6,271	7.8	6.6
Jan.	77	6,958	1,173	94,343	5,785	7.3	6.1
Feb.	77	7,183	1,271	94,874	5,912	7.5	6.2

Sources: Bureau of Labor Statistics, *Employment and Earnings*, Table A-33. Department of Labor. Employment Series Automated Reporting Systems (unpublished statistics), Table 6.

a. Adjusted for seasonal variations.
b. Civilian labor force data drawn from Table 2.
c. Column 1 less Column 2.

Table 4 *Estimates of the Effects of Food Stamp and AFDC Work Registration Requirements on the Unemployment Rate 1974 - 1976*

Item	*Year* 1974	1975	1976
Average Civilian Labor Force (thousands)	91,011	92,613	94,773
Average Official Unemployment (thousands)	5,076	7,830	7,288
Average Official Unemployment Rate (percentage)	5.6%	8.5%	7.7%
Average Food Stamp Work Registration Active Employment Service Applicants (thousands)	784[a]	1,209	1,236
Average AFDC (WIN) Mandatory Registrants (thousands)[b]	743	872	829
Corrected Average Unemployment (thousands)	3,549	5,749	5,223
Corrected Civilian Labor Force (thousands)	89,484	90,532	92,708
Corrected Unemployment Rate (percentage)	4.0%	6.4%	5.6%

Sources: Bureau of Labor Statistics, *Employment and Earnings*, Table A-1; Department of Labor, Employment Series Automated Reporting Systems, (unpublished statistics); National Center for Social Statistics, *The Work Incentive Program*, Report E-5.

a. Based on monthly average for June through December. b. Less food stamp work registrants reported above.

Table 5 *Employment and Unemployment: A Comparison*

Year	*Civilian Employment as a Percentage of Total Non-institutional Population, Age 16 and Over*	*Measured Unemployment as a Percentage of Civilian Labor Force*
Low Employment Periods		
1950	55.25%	5.3%
1955	55.15	4.4
1966	55.57	3.8
1971	55.49	5.9
Average	55.37	4.9
1975	55.25	8.5
Medium Employment Periods		
1956	56.06	4.1
1968	56.00	3.6
1972	56.05	5.6
Average	56.04	4.4
1976	56.06	7.7
High Employment Periods		
1969	56.52	3.5
1974	56.98	5.6

Sources: Bureau of Labor Statistics, *Employment and Earnings*, Table A-1. Employment and Training Administration, *Employment and Training Report of the President*, 1976, Table A-1.

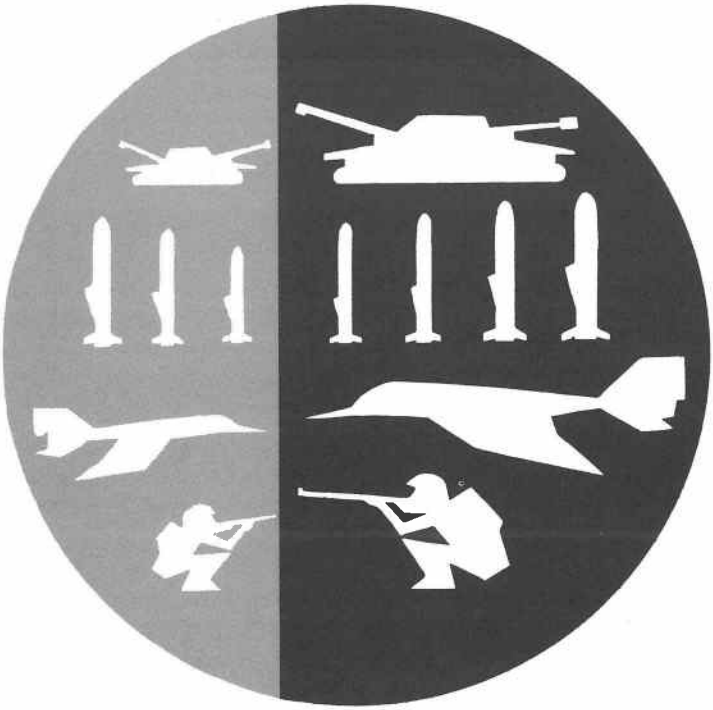
Table 6 *Monthly Income and Employment Status, November 1973*

	Food Stamp Recipients	*Food Distribution Recipients*
Total Monthly Income	$364	$373
Unemployment rate	9%	7%
Not in Labor Force	70%	72%
Employed:		
Full time	11%	11%
Part time	10%	10%

Source: U.S. Department of Agriculture, Food and Nutrition Service "National Survey of Food Stamp and Food Distribution Program Recipients: Income Sources and Amount and Incidence of Multiple Benefits" (unpublished document), p.25.

A New Strategy for the West

Daniel O. Graham



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Ordering The World About: The New International Economic Order

PETER BAUER & JOHN O'SULLIVAN

In 1975, to mark Somalia's commitment to the ideals of the International Women's Year, the President announced that in the future women would enjoy equal rights of inheritance with men. Twelve Muslim religious leaders protested that this violated Koranic law. Whereupon they were shot.

This instructive tale should warn us that the liberal ideas and phraseology of the West, once transplanted to the Third World, often assume fantastic and distorted forms. We might bear this in mind when assessing the interminable discussions on the establishment of a "New International Economic Order" (NIEO) at the "North-South Dialogue" in Paris, The Commonwealth Conference in London and the numerous United Nations Conferences on Trade and Development (UNCTAD) and other UN gatherings in Geneva, New York, Nairobi, Delhi and wherever else luxury hotels are to be found. [1]

For, on the face of it, the NIEO boasts an impeccably Western, indeed English, genealogy. It is the most far-reaching application of Fabian socialist theories of wealth distribution, state control and economic planning to international economic relations yet attempted by Third World governments and their Western cheerleaders. In no sense, of course, is it new. Its Fabian inspirations apart, the various UN and other declarations, in which the NIEO is embodied, contain wearisomely familiar demands for still greater foreign aid; comprehensive schemes for "stabilizing" (i.e. raising) commodity prices, transferring technology and cancelling debt repayments by developing countries; and even hazy notions of restricting Western production of synthetic substitutes for Third World products.

But some little novelty is introduced in the arguments justifying these claims. No longer is foreign aid solicited as an act of charity. Indeed, charity is indignantly rejected as dem-

1. For a restrained and relatively reasonable statement of the views of the proponents of the NIEO see a new book by a UN civil servant of Indian nationality: Jyoti Shankar Singh, *Toward a New International Economic Order*, N.Y., 1976.

eaning. Nor is it still justified principally as the means of ensuring economic development in less developed countries – though that remains a secondary argument. Today, in international forums, the large-scale transfer of resources from the West to the Third World is demanded as a *right.* It is presented as some small recompense for the West's unjust economic exploitation, past and present, which is alleged to have caused the poverty of the developing world. But the NIEO goes beyond even this. Its demands clearly imply that everyone everywhere should be entitled to a substantial income by virtue of being alive, regardless of economic performance.

Dr. Julius Nyerere, the austeritarian Tanzanian dictator, put these arguments succinctly during his 1975 state visit to Britain:

> In one world, as in one state, when I am rich because you are poor, and I am poor because you are rich, the transfer of wealth from rich to poor is a matter of right; it is not an appropriate matter for charity.
>
> The objective must be the eradication of poverty and the establishment of a minimum standard of living for all people. This will involve its converse – a ceiling on wealth for individuals and nations, as well as deliberate action to transfer resources from the rich to the poor within and across national boundaries.

Endlessly and sanctimoniously repeated, almost never rebutted, such arguments have not been without effect. Mr. Callaghan told Commonwealth statesmen that 650 million people had *per capita* incomes of less than $34 a year and that this was "the most serious challenge to our age and to our leadership." At the recent Paris Conference, the West, alias the "North," agreed to set up a commodity stabilization fund and to grant more aid, beginning with another $1,000,000,000 to the hardest-hit poor countries. And, expressing a general journalistic consensus, Mr. Keith Richardson of the *London Sunday Times* admits that the West enjoys a "disproportionate share of the world's wealth" (does it not also have a disproportionate share in creating that wealth?) and doubts if we can keep our present ill-gotten living standards.[2]

2. Two recent articles in *Commentary* further elucidate a more critical view of the NIEO. See Peter Bauer, "Western Guilt and Third World Poverty," *Commentary*, January 1976 and Peter Bauer and B.S. Yamey, "Against the New Economic Order," *Commentary*, April 1977.

But are the arguments in support of the NIEO valid? And would the consequences of implementing it be those desired by the Third World's Western sympathisers? Or those experienced by the Somalis?

Was Lenin Right?

Is it, first, really true that Western prosperity is founded on the economic exploitation of Asia and Africa? For this seems to be plainly contradicted by common observation. Sweden and Switzerland, two of the world's richest nations, had no colonies at all and few direct economic contacts with the Third World. Portugal, on the other hand, which relinquished large colonies only recently, is the poorest nation in Western Europe.

Nor can the extreme poverty and backwardness of aborigines, pygmies, nomads and African tribesmen be due to exploitation in international transactions since these groups have almost no links with the rest of mankind. Indeed the usual relationship is between material backwardness and *lack* of external contacts. If we examine the "Fourth World" countries listed in UN agency documents as least developed, namely Burundi, Chad, Lesotho, Ethiopia, Rwanda, Afghanistan, Bhutan, Nepal and Sikkim, we find that they are scarcely involved in trade with the West. Certainly, their trading links are fewer and less extensive than those between the West and Malaysia, Hong Kong, Venezuela, South Korea, Singapore, Mexico and Taiwan – all relatively prosperous and developing rapidly in flat contradiction to NIEO reasoning.

Such examples clearly support the traditional pre-Leninist view of international trade, namely that it benefits both parties. In more modern jargon, it is not a "zero-sum game" in which one man's gain is necessarily another's loss. Western nations undoubtedly benefited from the access to raw materials brought by trade. Yet did not developing nations also obtain access to markets, to a variety of goods, to new ideas and information and to such complementary resources as capital, enterprise and specific skills? Without these, would not the Third World be much poorer today?

Moreover, even amongst developing countries with equal access to trade opportunities, some have prospered more than others.[3] Why? Surely the principal reason is that nations, peo-

3. Edwin J. Feulner, Jr. in *Congress and the New International Economic*

ples, tribes, communities and ethnic groups are not equally endowed with those qualities which mainly determine economic achievement. These are not, as is commonly supposed, plentiful raw materials and the supply of capital on easy terms, but aptitudes, social customs, motivations, modes of thought, social institutions and political arrangements. For it is these qualities which influence people's willingness to save, work hard, take risks, and to seek and develop the economic opportunities, however limited, that are available.[4]

How else can we explain the many startling group differences in economic performance where economic opportunities have been identical, or broadly similar, or even relatively unfavorable to the successful group – the Chinese, Indian and Malays in Malaya, the Asians and Africans in East Africa and the Greeks and Turks in Cyprus? Have not some groups 'failed' in the narrowly economic sense because of such factors as a preference for the contemplative life over the active; a reluctance to undertake profitable tasks traditionally regarded as demeaning; and a social hierarchy in which mere economic success is not particularly esteemed? Why should such preferences necessarily be condemned?

Order, Washington, D.C., 1976, provides a brief and incisive comparison of two island economies, Sri Lanka and Taiwan:

> Another comparison is between the island nations of the Republic of Sri Lanka (Ceylon), a nation of 14 million and the Republic of China (Taiwan) a nation of 15 million inhabitants. Foreign capital was a major factor in the early post war development of both Taiwan and Sri Lanka. Then the government of the latter started a widespread nationalization program in 1961 and strengthened this in 1970 to form a national plan for a socialist society. The effect of these policies has been to limit the investment of new private funds in Sri Lanka. Per capita output has dropped from $128 in 1963 to $110 in 1974.
>
> The Republic of China was also essentially an agrarian economy but they have followed a policy of industrialization encouraging private investment by a liberalization of government control and tax concessions. Today Taiwan is one of the fastest growing economies in Asia. In 1967 output per capita was $209, in 1974 it had jumped to $700, second only to Japan among Asian countries. Even allowing for the possibility that significant error is present in the figures, the correlation between economic freedom (including private foreign investment) and successful development (and improved personal well-being) is vividly illustrated by these comparisons.

4. A full-length analysis of the underlying conditions and of their economic importance is provided in Peter Bauer and B.S. Yamey, *The Economics of Under-Developed Countries*, Chicago, 1957. For a debate on some of these issues, see Barbara Ward and Peter Bauer, *Two Views on Aid to Developing Countries*, London, 1966.

Human Rights in the Third World

In recent years, however, a less justifiable influence favoring poverty and economic backwardness has made its appearance — namely, the economic and other policies pursued by Third World governments. Everyone is well-informed about the expulsion of Asians from East Africa which, incidentally, at a stroke reduced *per capita* income in those countries and widened the gap between them and the heartless West. But, in general, Western liberal opinion has been strangely and culpably blind to the extent of the persecution of economically productive, perhaps relatively well-off, but politically unpopular minorities.

It ranges in kind from discrimination in employment to expulsion and even massacre, and geographically from Algeria to Burma, Egypt, Ghana, Indonesia, Iraq, Kenya, Malawi, Malaysia, Morocco, Nigeria, Sri Lanka, Tanzania, Uganda, Zaire and Zambia. So much for the theory that wealth is synonomous with power.[5]

And when such groups as the enterprising Indian community in Burma are driven out, they take with them scarce skills, the ability to generate capital locally and often an indispensable service to the local community. President Mobutu's expulsion of Greek and Portuguese traders from Zaire, for instance, caused a breakdown in the bush trading and distribution system. Farmers were thus unable to market their produce effectively: in some cases, planting stopped altogether.

Some regimes do not stop at persecuting minorities. Dr. Nyerere's government in Tanzania has in the last decade forcibly moved millions of people into collectivized villages, and sometimes simply into the bush. Among the methods of encouragement employed are the destruction of existing homes, physical force and barring recalcitrant elements from such social facilities as communal transport, beer shops, ceremonial dances and cattle auctions. The numbers of people subjected to this new life certainly runs into millions. Some estimates are as high

5. In order to carry out such policies a tame press is, of course, highly desirable. There has been much discussion among Third World nations (who disagree on many points but who tend to agree on this one) on the best means of insuring a controlled flow of information. The Fall 1977 issue of *Policy Review* will include an article by the American journalist, Jeffrey St. John, on this increasing tendency toward organized suppression of a free press. For a broad view of the decline of human rights around the world, see Robert Moss, *The Collapse of Democracy*, New Rochelle, N.Y., 1976.

as six to eight million (*The Washington Post*, May 6, 1975) and even thirteen million (*The Times*, April 20, 1977) out of a total population of fifteen million.

It is hardly likely that agricultural prosperity will be improved by this disruptive move to a variant of the collective farming that has been a disaster everywhere else. Another article in *The Washington Post* (February 7, 1977) reports that both food production and rural living standards have in fact declined. Is that perhaps the reason there is so little official data on the economic achievements of *ujamaa* policy, as a sympathetic official of the World Bank lamented?

Tanzania's general economic failure, relative to less ideological neighboring countries, is unmistakable. It has indeed provoked Dr. Nyerere into sour complaints that Kenya's prosperity is merely the tawdry jewelry of the harlot. He can hardly claim, however, that Tanzania aims at a higher goal than wealth – equality, spartan virtue, African socialism, or whatever. For, like a quiz contestant who asks both to open the box *and* take the money, President Nyerere demands that nations which have successfully sought enrichment should subsidize his nation's austerity.

That is only one, admittedly glaring, example. Other government policies, which have served to impoverish further the people in developing countries, include restrictions on the inflow of foreign capital and on the activities of expatriates; the establishment of costly and inefficient state monopolies in trading, transport, banking and industry; widespread restrictive licensing on economic activity; penal taxation of small-scale farmers; the political diversion of resources to state-sponsored enterprises that cannot survive unassisted; and the suppression of private firms that inconveniently compete with them.

How Poor Is the Third World?

But the Third World is far from being a homogeneous, uniform group of countries, all sunk in an identical poverty that is irremediable without foreign aid. Numerous regions and groups there are actually more prosperous than some in the West – compare Chinese communities in South-East Asia with much of rural Ireland and Southern Europe. And among Third World countries which have enjoyed rapid economic growth are South Korea, Taiwan, Hong Kong, Malaysia, the Ivory Coast,

Kenya, Brazil, Colombia, Mexico, Venezuela and, of course, the oil states of the Middle East which were treated as less developed until 1973 despite high *per capita* incomes.

Properly considered, then, the Third World is little more than an arbitrary classification covering half the world's population and including societies ranging from millions of aborigines to populous cities – the composition of which is occasionally altered with an arbitrariness bordering on caprice. The developed world is only slightly more homogeneous. It would make little sense to talk of an income "gap," especially a "widening gap," between two such shifting classifications, even if the statistical bases for comparison were otherwise valid. Of course, they are nothing of the sort.

Professor Oscar Morgenstern, in his book, *On the Accuracy of Economic Observations*, quotes an unnamed civil servant as admitting: "We shall produce any statistics that we think will help us to get as much money out of the United States as we can. Statistics which we do not have, but which we need to justify our demands, we shall simply fabricate." His lighthearted approach is certainly not contradicted by the black comedy of the Nigerian population estimates. When Professor Peter Kilby, a leading independent American scholar, put the population at 37.1 million, the official 1963 census produced an estimate of 55.6 million – a figure not unconnected with the then government's need for inflated parliamentary representation. Even today, when parliamentary representation is of little moment in Nigeria, the UN's estimate of its population is ten million less than the Nigerian government's.

Honest statistics, however, would be only marginally less inaccurate. National income comparisons, for instance, are rarely adjusted for differences in age composition. Yet the proportion of children is much larger in developing countries than in the West. And both the incomes and requirements of children are lower than those of adults – not to allow for age composition in such statistics is to transform age differences into income differences.

Another major flaw arises from how changes in life expectation are interpreted statistically. In the last 25 years, mortality has declined substantially in the Third World. Since most people like to live longer and to see their children survive, this is surely an improvement. Without much doubt the

standard of living of those who would otherwise have died has improved. But there are, as a result, more children and old people in the population. So this improvement is registered in national income statistics as a decline in *per capita* income and a widening of the gap.

The aggregate effect of these and other flaws is to exaggerate, often wildly, the poverty of developing countries and hence the gap between them and the West. In an article published in 1963, subsequently expanded into a book, Professor Dan Usher, who lived and worked for several years in Thailand, estimated on the basis of personal observation and sophisticated statistical analysis that living standards there were approximately one-third of those in Britain. Yet, as Professor Usher points out, calculations based on conventional statistics put *per capita* income in Britain *at fourteen times that of Thailand*, where accordingly the people must be "desperately, if not impossibly, poor." It is such Laputan estimates which form the basis of NIEO declarations, of presidential demands for "reparations" from the West and of Mr. Callaghan's conviction that 650 million people have to subsist each year on less than the goods and services that £20 would purchase in Britain or $34 in the United States, or one breakfast every three weeks with nothing left over for other meals, accommodation, clothing, medicine or any other goods and services.

So much for the arguments justifying the NIEO. What of its likely effect?

Is Foreign Aid Enough?

Let us first deal with two general points. Were the NIEO to be implemented seriously, it would clearly mean a transfer of resources from groups in the West to groups in the Third World. If people's aptitudes, motivations and economic capacities were everywhere the same and official policies broadly favorable, this could be achieved without a reduction in the wealth and income of mankind as a whole. NIEO documents often assume tacitly that this is so.

Yet we have already noticed that people's abilities to take advantage of economic opportunities differ very radically. And, paradoxically, this is confirmed by one of the NIEO's principal demands — namely, debt cancellation. For the argument that debtors face great, even insurmountable, difficulties in repaying

loans means that the borrowed capital has been wastefully employed. Otherwise the incomes in recipient countries would have increased by more than the cost of the capital. This is further confirmed by the fact that the great proportion of Third World government debt arises from foreign aid loans on concessionary terms. Often the grant element in these loans has been over half the nominal value, sometimes over 90 percent. Moreover, the burden of debt has *already* been much reduced by inflation and by various disguised forms of substantial default.

The NIEO, therefore, especially in the form of debt cancellation, represents a transfer of resources from those who can use them productively to those who cannot. World income as a whole must therefore either fall or fail to rise as it otherwise would. If this effect were concentrated in the West, some NIEO advocates would presumably count it as a gain – a step towards a more egalitarian, if poorer, world. But, insofar as the West's income is reduced, so is its capacity to trade with developing countries, some of which in consequence share in this virtuous impoverishment.

Secondly, official wealth transfers go to Third World governments, not to the population at large. Inevitably, this increases the power of the ruling groups over their peoples – an effect often reinforced by the preferential treatment accorded to governments establishing state-controlled economies.[6] To Western supporters of aid programs, there is nothing objectionable in this. They enthusiastically urge vigorous state action to promote development and social and economic equality.

But this is where the Somali distorting mirror effect intrudes. For between the intentions of Third World governments and those of their Western sympathizers, there is a wide and

6. A clear-cut example of how government-to-government aid programs often enrich the ruling class at the expense of the needy is given in an article entitled "Food Bungle in Bangladesh" by Donald F. McHenry (Ambassador Andrew Young's deputy at the UN) and Kai Bird (a journalist for *Newsweek International*). Writing in the Summer 1977 *Foreign Policy* they relate in detail how approximately 90% of the U.S. food aid to Bangladesh went to favored groups in the cities (bureaucrats, the armed services, rich businessmen, etc.). Practically none went to the starving people in the countryside. This sort of activity is not confined to the Third World, of course, *The Washington Post* on July 7, 1977, reported that a substantial amount of Small Business Administration funds intended to help minorities actually went to white (and prosperous) businessmen using blacks as fronts.

widening gap.

It is the over-riding aim of almost all Third World governments to consolidate and extend their own power over their subjects. Surely this is patently clear from the policies they consistently pursue? Monopolies, valuable licenses and other privileges are granted to those who support the government, often very prosperous people. Quite small properties and businesses, on the other hand, are often confiscated wholesale. Small-scale producers of export crops have often been singled out for penal taxation at the hands of state export monopolies. And there have been countless instances of massive discrimination against poor members of ethnic minorities distinct from the ruling group, even though they may sometimes be indigenous to the country – such as Tamil plantation workers in Sri Lanka and Ibo clerks and laborers in Nigeria.

What have such policies got to do with promoting either equality or development? Very little. In fact, they hold development back. But they have a great deal to do with placating government supporters, winning over entrenched groups, making more and more people dependent upon government decisions for their economic success or failure, and depriving potential opponents, or merely disfavored groups, of power, advantages and even of their livelihood. Indeed, a Burmese cabinet minister was candid enough to admit privately that, although the expulsion of foreigners damaged the economic interests of the Burmese, he favored the policy simply in order to rid his country of aliens.

And, as for equality, some conspicuous beneficiaries of aid are relatively well-to-do, even very rich. They are rulers, politicians, civil servants, members of Westernized *elites*, businessmen close to the government and the more politically astute local academics – not to mention foreign economic advisers and employees of international organizations.

Would not the large-scale transfer of resources under the NIEO strengthen such governments in power, keep them financially solvent, help to conceal the disastrous results of their policies, and generally increase state power and politicization of society? And, in a contemporary politicized society, the rewards of political power rise proportionately; but the penalties of exclusion rise exponentially.

During Mrs. Gandhi's rule in India, well over ten million

people were sterilized, very many forcibly, sometimes with great brutality and fatal results. According to an academic Indian report, which forms the basis of an article in *New Scientist* (May 5, 1977) the compulsory sterilization campaign included such methods as: organized manhunts; dawn police raids to catch people, physical force to hold down the victims; entire villages fleeing from sterilization squads; refusal to admit unsterilized people to hospitals; the withholding of licenses from taxi-drivers, rickshaw-drivers and others unless they could produce sterilization certificates; and the use of economic policy and civil service pay and promotion to foster the program "voluntarily." And the report noted significantly that compulsion was exercised on a partial basis. Administrators, the urban elite and local politicians were able to avoid it, even when they had more than the usual quota of children; whereas an almost random brutality was employed against poor people, village-dwellers and minorities like the Muslims, who rioted in consequence and were shot down.

It is, of course, commonplace in societies that are both multi-racial and highly-politicized for minorities to find themselves economically ruined and even physically threatened. Who controls the government becomes a life-and-death matter, sometimes literally so. Asians have been expelled from East Africa, Ibos massacred in Northern Nigeria and the Chinese subjected to various degrees of discrimination all over South-East Asia. Naturally they suffer most. But such struggles, expulsions and civil wars also inflict extreme hardship on the rest of the population as, for instance, food shortages when the trading system breaks down.

Does all this sound a far cry from bland World Bank communiques hymning "partnership in development"? Well, in November 1976, at the very height of the compulsory sterilization campaign, Mr. Robert McNamara, the President of the World Bank and a large supplier of finance to India, congratulated the Indian Health and Family Planning Minister on his government's "political will and determination" in popularizing family planning. It is the Somali distortion again — some spice being added by the report that Somalia is Mr. McNamara's "second favorite African country." His "real African favorite," however, is Tanzania where he doubtless imagines an exciting development in rural democracy is spontaneously erupting.

Third World governments have nonetheless taken precautions against Mr. McNamara and others suddenly realizing what Somalia is really like. Into one of the NIEO declarations they have written the condition that : "Every country has the right to adopt the social and economic system that it deems most appropriate for its own development and not to be subjected to discrimination of any kind as a result." Discrimination here is broadly defined; it includes failure to provide aid.

Do the Poor Really Benefit?

We have so far assumed that the NIEO will actually transfer resources from the rich to the poor. But will it do so? Take, for instance, one specific and widely-canvassed proposal to which Western countries have now reluctantly agreed — commodity agreements to maintain stable prices. If these are intended to transfer wealth from rich to poor, then they are inefficient to the point of perversity.

To begin with, primary producers of raw materials are by no means necessarily poor. The OPEC countries are an extreme example of the opposite — and were so long before 1973. Rich countries, in fact, are net exporters of major primary products and their close substitutes. Moreover, within the less developed world, those countries which export such products are generally to be found among the most prosperous. And, within the exporting countries themselves, the main beneficiaries of commodity agreements and higher prices are likely to be existing producers, the scheming administrators and politicians — all relatively prosperous people already.[7]

And how will such schemes work in practice? Commodity agreements can normally be maintained only if they exclude potential producers from entering the market. Only thus can supply be restricted and prices raised. Yet the excluded producers are usually poorer than those inside the cartel — and than those who otherwise gain, both internationally and within exporting countries. Their poverty is thus perpetuated.[8]

It is also noteworthy that most of the suggested agreements cover commodities (e.g., tea, rubber, copper) that are subsequently used in mass consumption products. Poor Third World

7. William Schneider, Jr., of the Hudson Institute, has written a useful book on this subject, *Food, Foreign Policy and Raw Materials Cartels*, N.Y., 1976.

8. See Peter Bauer, "Foreign Aid Forever?" *Encounter*, March 1974.

countries are net importers of many of these. So the contrived increase in prices will tax consumers, often regressively, in rich and poor countries alike, at a time of world-wide inflation. And the experience of the OPEC cartel suggests that poor people will not be protected against these price rises by anything more substantial than rhetoric.

But commodity agreements also tend to be unstable. If the incomes of those inside the cartel are to be kept up, then not only must the supply of the commodity reaching the market be controlled effectively; so must the supply of its close substitutes. Yet the resulting high price itself stimulates the search for new sources and the development of new substitutes. So, save in very exceptional circumstances where control of a scarce and indispensable resource is confined to a few countries, any commodity scheme will succeed in raising prices for a prolonged period only at the cost of large sums of the money being tied up in unsold stocks.

In the meantime, while prices remain high, potential producers and excluded countries will grow increasingly hostile and restive. Why should they not be allocated export rights and quotas? Why should they be denied this arbitrary and guaranteed "license to print money"? Only massive international pressure could prevent them from undermining the agreement by introducing or expanding their competing supplies. International tensions far more destructive than those exhibited in the North-South dialogue would thus be stimulated by the scheme's continuance; and, should it eventually collapse, incomes and prices would fall through the floor.

It is clear, therefore, that commodity agreements would harm many poor people, benefit few poor people and enrich quite a number who are already prosperous. Some relatively rich people in the West might also be discommoded, but that is surely an insufficient benefit for so much waste, conflict and distress. So much for this cornerstone of the NIEO. Debt cancellation, as we have already shown, specifically benefits the improvident and affects the poorest least of all. And the transfer of technology, as expounded in NIEO documents, is a notion too vague and mystical for systematic assessment.

Would A NIEO Work in Practice?

But all this does not justify dismissing the NIEO as unim-

portant. If the "eradication of poverty" and the confining of income differences, both within and between countries, to within a narrow band were to be seriously pursued, then a far-reaching, intensive and persistent coercion would be required. Nothing less would remove or overcome the wide and deeply-rooted variety of attributes, motivations, values, customs, social institutions, living conditions and political arrangements of different countries, societies, groups and individuals which lie behind income differences.

NIEO advocates admit, for instance, that the use of substitutes and the application of new inventions in Western industries would need to be limited in order to protect commodity agreements and to maintain Third World export earnings. What else is this but the internationalization of industrial restrictive practices, maintaining high-cost production and thus harming the poorest everywhere? Yet if Western governments fail to enforce such luddite interventions, will they not be pressed to step up direct tax-financed wealth transfers by way of compensation? Indeed, Dr. Nyerere has obligingly made clear that they will be required to step up such transfers in any event – until world economic equality has been substantially achieved or, in practice, indefinitely.

But who will enforce these policies and transfers? Western governments acting voluntarily? Hardly. National governments acting under pressure from a combination of other governments, or from international organizations, in accordance with agreements they had thoughtlessly endorsed? Perhaps, but for how long? Would policies that substantially depressed or retarded the living standards of Western voters survive more than a few democratic elections? Again, hardly. Only a world government with extensive, or indeed almost totalitarian, powers would stand a reasonable chance of enforcing such an economic order indefinitely.

And such powers would need to be exercised indefinitely. As with commodity agreements, the exercise of some powers would perversely create and reinforce economic differences rather than reduce them. They would thus be continually manufacturing the justification for their own existence: and if, for whatever reason, economic differences were to be reduced within and between countries, this would not abate egalitarian demands one whit. As Tocqueville observed, when social dif-

ferences have narrowed, those that remain appear particularly offensive.

And, finally, the commitment to the NIEO is by its very nature open-ended. Third World incomes, as we have already seen, depend principally upon domestic factors, not on external donations. So any obligation to establish minimum living standards in the Third World, or to reduce international income differences substantially or to any specified extent, implies a completely open-ended Western commitment, determined by the Third World's performance. At the very least, international redistributive taxation would be required. Attempts to enforce this permanent, world-wide standardization, then, would lead to increasing international tension, a Hobbesian war of all against all, the spread of totalitarian powers and to further erosion of the West's power and influence.

Is it unreasonable, in the light of these considerations, to regard Dr. Nyerere's call for a world "ceiling on wealth" as "first and foremost a matter of political will and determination" as something more, and more sinister, than harmless cant? Or to hope that, when Western leaders warmly endorse the NIEO's objectives, they are simply indulging in the political equivalent of singing "Auld Lang Syne" on New Year's Eve?

In summation, the objective of the NIEO is, of course, quite unattainable. There is no prospect whatever of transforming the Third World into a series of prosperous, socially just, high-income Swedens by the methods proposed. But we might well create one, two, three, many Somalias.

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The Responsibility of College Trustees

JOHN A. HOWARD

Before Hercules, those who tried to slay the Hydra didn't have much success. When an aspiring hero lopped off one head, two would grow in its place. The more frantic the effort, the worse the result. This is a story one is not eager to see re-enacted on television, but it does have a useful message for the latter-day heroes who would rescue private enterprise from the tax-eating jaws and constricting coils of the welfare state: if one does not understand the problem, his efforts to resolve it may only make matters worse.

At some point it may dawn on the business community that it is involved in an equally futile endeavor, pouring good money after bad into economic education, in the hope of restoring confidence in the market economy. But legislative manipulation, compelling logic and catchy advertising are insufficient to change the course of a society if the natural tendencies and the acquired values of the people are ignored.

The welfare state partisans have been in the ascendency for some time. They have managed to marshal to their cause the dominant portion of the opinion-making apparatus.The advocates of capitalism are naive about the means of developing the public attitudes essential to sustain capitalism and indeed, they are almost totally oblivious of what those attitudes are. Among the foremost are a commitment to economic self-reliance as an essential element of human dignity, a respect for the law and a respect for private property. As a result of the decline in the respect for law and private property, the incidence of vandalism, shoplifting, hijacking, price-fixing, embezzlement, industrial espionage and other such acts is rising to the point that it may soon pose as great a threat to the survival of capitalism as does the burgeoning welfare state.

Of perhaps the greatest importance is a recognition that the growth of the welfare state is not the result of economic ignorance. It is, instead, brought about by the prevalence of the conviction that the government must provide the citizens with

whatever they would like to have: a good income, art exhibits, medical attention, a comfortable retirement, etc. The factual knowledge of the health hazards of tobacco has not been very effective in curtailing smoking. The factual knowledge of the economic hazards of subsidizing and regulating everything is not likely to be any more effective in curtailing the citizens' demand for subsidies and services or the favorable response by the spendthrift Congress. The defense of capitalism needs to be redirected to the values and attitudes of the people, and particularly the reestablishment of economic self-reliance as a cherished priority.

This is a big order. It will require an analysis of cultural forces which have been of only incidental concern to the business community: not just politicians and journalists, but clergy, lyricists, scriptwriters for television and movies, and poets. The techniques for enlisting support will vary from one group to the next, and will necessitate a high level of persistence, patience and objectivity. The task is so large that one would be reluctant even to propose it short of a profound conviction that it is the cultural arena in which the struggle to preserve the institutions of a free society will be won or lost.

Perhaps the most important of these cultural forces is the academic community. It occupies a uniquely advantageous position for influencing the attitudes of the nation's youth and for originating and disseminating the theories, and myths, which are parroted or orchestrated by the other manufacturers of opinion.

Consider first the role of education in any society. Until fairly recent times, all peoples have judged that the central purpose of schooling was to teach the young how to survive and live effectively in their homeland. The youth were to be trained in the beliefs and traditions, the obligations and taboos which gave order and cohesiveness to the society, which made it possible for people to live together in some degree of harmony.

In our country, well into this century, education was counted on to lead the young toward wisdom and virtue as defined by the principles of our Judaeo-Christian culture and refined by major political philosophers. Harvard and the other early private universities were established to train clergymen, but

even the public universities had a primary emphasis upon character-building. The Northwest Ordinance of 1787 which led to the establishment of the Land Grant Colleges, states, "Religion, morality and knowledge being necessary to good government and the happiness of mankind, schools and the means of education shall be forever encouraged." Religion, morality and knowledge — notice the priorities. At Rockford College where I serve, all the successive presidents up to the 1920's carried the double title of President and Professor of Moral and Ethical Philosophy. There was no confusion about what was of utmost importance.

But then a very fundamental change began. In 1876, The Johns Hopkins University was founded along the lines of the German research universities, and in the years which followed, the research function took on increasing importance, not only in American universities, but also among the small colleges. Since the purpose of research is to extend the limit of man's knowledge, it is essential that all hypotheses be considered. If this were not so, knowledge would be restricted to current beliefs. Without this openmindness, people could have gone on forever believing that the world was flat. Thus the concept that "all-points-of-view-should-be-equally-welcome" gained adherents. Indeed, today it is widely considered the only proper role for a college or a university.

If one regards higher education *only* as a think-tank in which scholars are supported and protected in their intellectual and scientific pioneering, then that philosophy of education is not only appropriate, but exclusively necessary. "All-views-are-welcome" is a philosophy devised properly for the cultivation of research.

However, the academic community serves other functions. There are students involved. If one recognizes that education must re-enforce the values of society, then the "all-views-are-welcome" philosophy poses very serious complications. The person who believes in violence must be given an equal platform with the person who believes differences should be settled by some civilized means. The person who advocates defiance of the law is welcome along with the proponent of lawfulness. Indeed, a recent issue of *Newsweek* reported that Daniel Cohn-Bendit, 32, the self-proclaimed anarchist who led the 1968 student riots in Paris, will be granted a visa to visit the U.S.

next month. In the past, he would have been banned from the U.S. under the McCarran Act, which prohibits anarchists and those advocating the violent overthrow of a government from stepping ashore. But to dramatize President Carter's open-door policy for all international visitors, the State Department has decided to make an exception in Cohn-Bendit's case. The "all-views-are-welcome" concept has also been largely responsible for eliminating regulations governing student conduct, be it indiscriminate sex, narcotics traffic, or treason.

That official posture can be altogether devastating to the students and the nation. All the majestic authority that is vested in the concept of an academic institution registers not intentionally but with great force this idea that it doesn't make any difference whether you do or don't. By contrast, the supposition by the student's family that it does make a difference may not be persuasive to him.

The concept that all views must be welcome has permeated virtually all segments of our culture. Standards of taste in subject matter scarcely exist today. The critics in the fields of literature, cinema, theater, song and art concern themselves almost exclusively with technique. The themes, no matter how perverse or bestial, are simply assumed to be acceptable.

Whereas the value-neutral philosophy has become a stoutly defended justification for protecting advocates of anarchy and other views that have generally been considered unacceptable in our society, it has not served to guarantee the colleges against the development of a near-uniformity of faculty views on some subjects.

For example, the academic support for government subsidy of education is massive. During the past fifteen years, a change has taken place in the teaching profession that is of vast import, though scarcely recognized by the general public. With the enormous increases in federal expenditures for education, teachers have moved into a position of dependency and near-captivity. There is pressure on the pocketbook of almost every teacher from kindergarten through graduate school to vote for whichever candidate promises the most additional subsidy for the schools and colleges.

This is not simply conjecture. For instance, the 1972 reelection bid of Rhode Island's Senator Claiborne Pell was probably rescued from defeat by the National Education Association,

which provided money and workers in the closing weeks of his campaign. Encouraged by this success, the NEA endorsed and worked for more than 150 candidates and incumbents in the 1974 elections, with a high rate of victory. In 1976, the NEA endorsed a presidential candidate for the first time. He won.

This phenomenon is not limited to the public sector. In 1976, the full-time president of the Federation of Independent Illinois Colleges and Universities sent a memorandum to all the presidents of the member colleges and universities, urging them to support friendly state legislators, in their bid for re-election. He wrote in part, "This year is the time to make our strong friends in next year's legislature. This does not necessarily mean personal involvement, but it does mean you should get as many of your trustees, faculty, students, etc. who are at all inclined to do so, to participate not only in the general elections, but in the primaries, and to the degree possible, get them to help those Representatives who are helping private higher education, regardless of party."

The pocketbook pressure on the teachers not only has immediate political consequences, but indirect effects on the flavor and substance of classroom teaching. If an individual's job seems to be at stake in the election of certain individuals, that cannot fail to color his political and economic views. The connection between political-economic pressure upon the nation's teachers and their support of more government expenditures, more government regulation and larger federal deficits, deserves close scrutiny.

These problems cannot be met by small scale or superficial counter-measures. The inclusion on the faculty of several professors "who think otherwise" and the periodic presentations on campus by business executives, while not useless, are, nevertheless, trivial compared to the ills they are intended to cure. It is only by bringing about *policy level* changes that the academic community can once again become a cultural force in general harmony with the interests of a responsible free society.

Let us examine first the matter of federal funding. The academic community has learned the hard way that the price which must be paid for federal subsidy is far greater than was first anticipated. Washington's dictates governing hiring, admissions, and other aspects of college operation have imposed

heavy burdens of time, money and frustration and have produced in the academic community a growing disenchantment with the federal dollar among thoughtful academics. If there were some means of disengaging academia from the heavy-handed benevolence of government, while still preserving the flow of financial support, many college administrators and teachers would be sympathetic.

This means does in fact exist. It is the proposed Federal tax credit for gifts to colleges.

How does it work? The citizen simply subtracts from his Federal tax bill the amount of his gift to a college, public or private. If the tax credit ceiling were $25, the citizen owing $100 could send $25 to the college and $75 to the government.

The plan has many advantages. There is virtually no overhead cost. Each college could spend its gift revenues for whatever it needed most. There is no Constitutional question with regard to the involvement of church-related colleges, since their donors already qualify for tax deductions.

The $25 ceiling is suggested as a first step in testing this technique. In order to prevent further imbalance of the Federal budget, the least useful and most expensive subsidy programs for higher education should be terminated as the tax-credit program takes effect. If the original trial proves to be effective, in successive years the ceiling can be raised and more programs phased out, until college dependence and the bureaucratic interferences are minimal.

There have been only two major objections to this proposal. One is that other groups, outside education, would claim equal treatment. The response is that such claims should actually be encouraged — as long as the tax credits are confined to groups already receiving federal subsidies. The cost of government would be reduced and the funds placed at the disposal of operating organizations.

The second objection is that if direct federal funding is withdrawn, then the government loses the basis for accomplishing its social objectives. This, of course, brings us back to the other dimension of our concern about the colleges — the teaching of values — and poses some very interesting questions. Why is it appropriate for the national government to operate according to a value-oriented philosophy, forcing its judgments

about what comprises the good society upon a whole nation; but inappropriate for individual colleges to try to transmit a value system to their students? How can we justify giving coercive power to HEW officials while demanding passive "tolerance" on the part of the university presidents and trustees?

If we really value pluralism, we must recognize that it is not appropriate in a free society for the government to use subsidies to impose its social philosophy upon educational institutions. That is tyranny, and must be recognized and proclaimed as such. True, a free society cannot long endure without a consensus of values – but that consensus must be genuine and vital, not a by-product of government manipulation. If our colleges and universities had not largely lost interest in training students in the importance of integrity, lawfulness and other characteristics of social maturity, a large part of the laws and regulations of recent decades would not have been necessary.

There is, in other words, a direct relationship between the abdication of moral and intellectual authority by many educators and the persistent erosion of our freedoms – especially our economic freedoms.

Corporate America has a direct and critical interest in this restoration. It is, I suggest, wholly appropriate for a corporate donor to address a college directly on this matter, perhaps as follows: "We have recognized that higher education is an essential feature of our society. We have been glad to support your college when you needed help. Now we need help. The economic system within which we have prospered sufficiently to share our profits with you is in trouble, and much of the trouble seems to stem from the values and attitudes and conduct of the citizens. We are suffering from the continuing increases in crime and dishonesty. What are you doing, what can you do, to try to instill integrity, lawfulness and a sense of responsibility in all your students? The growing expectation that the government will meet the needs and wants of all the citizens is another matter of the gravest concern to us. What can you do to teach the dangers inherent in a citizenry economically dependent upon government?"

It should be remembered that for almost all private colleges, philanthropy still constitutes the margin of survival. A donor has no cause to apologize for his interest in the college's impact

upon the values and attitudes of the students. It is a legitimate interest and one that bears upon the welfare, if not the survival, of institutions of a free society.

Each donor must decide for himself whether the answers he receives to his questions warrant his continued gifts. In all likelihood, the initial response will provide some politely worded version of "How dare you interfere with academic freedom? You have invaded forbidden territory, and I am sure you didn't mean to." This answer may have had some validity twenty years ago, but the advent of government funding with its attendent restrictions and directives make it unappropriate except for the few colleges that use no government funds.

Thoughtful citizens may also make formal inquiry of university trustees about the educational philosophy and the institutional policies of the institutions they serve. The trustees of the private college or university bear the full legal, financial, moral and educational responsibility for what transpires on that campus, and the trustees of the public institution have a large degree of responsibility in these areas, even though they are ultimately subordinate to legislative bodies.

On most campuses, the responsibility for determining the details of the educational program has been delegated to the faculty, but that delegation does not relieve the trustees or regents of their obligation to formulate basic policy. I am unaware of any action on the part of the American Civil Liberties Union, the American Association of University Professors, or any other organization with an interest in sustaining the rights of professors, which denies the obligation of faculty members to perform according to the institutional policies duly established by the trustees or regents.

The concerns here expressed are of a nature to be dealt with only at the policy level. I suggest that all policy boards should be asked to review the extent to which their institutions are intentionally and effectively engaged in character education and citizenship education of a kind which develops or reinforces lawfulness, self-discipline, self-reliance and the other values and attitudes essential to a free society. I further suggest that all policy boards might be requested to consider the import of the basic options of a value-neutral or a value-oriented philosophy of education, and to give thought to the consequences for their students if their institution is currently

committed to the research-oriented, value-neutral philosophy.

This commentary has suggested some of the circumstances which have influenced the academic community toward positions that are not supportive of the values that make freedom possible, and I have indicated some actions that might be helpful in changing or overcoming those circumstances. It deals only superficially with sensitive and complex matters, but is offered as an introduction into the kind of analysis that will be required if the partisans of private competitive enterprise are to discover means for preserving the private sector and the free society in general.

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CHARLES S. HYNEMAN
Distinguished Professor of Political Science
Indiana University

Vol. V

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Visas for Soviet "Trade Unionists"?

STEPHEN HASELER

The recent controversy over the attempt to grant visas to Soviet "trade unionists" in order that they may be able to visit the United States raises wider questions about East-West "trade union" contacts. The attitude of the AFL-CIO in opposing such visas is but symbolic of their more general refusal to dignify Communist Party or Soviet government officials by accepting the deceit inherent in describing them as "trade unionists."

The simple proposition of the AFL-CIO is that an East-bloc "trade unionist" cannot exist since the concept represents a contradiction in terms. The argument, compelling as it is obvious, is simply that free trade unionism cannot exist in a totalitarian society – where strikes are illegal, voluntary associations of workers for collective bargaining out-lawed, and "trade unions," so-called, are simply an arm of the state and staffed by party or governmental personnel. To grant a visa to the representative of such an organization, or to recognize them in other ways, can only grant them respectability and help perpetuate a dangerous myth.

Consequently, for most of the post-war period, Western trade union organizations, conscious of the distinctions between organized labor in a free and an unfree society, have refused to have either formal or informal contacts with those East-bloc organizations which have appropriated their name. This policy of non-recognition was started in January, 1949 when the British TUC (Trades Union Congress), the American CIO and their Dutch counterpart led a withdrawal from The World Federation Of Trade Unions, which had fallen under communist control. They then, in the following November, set up the International Confederation Of Free Trade Unions which has since served as the international organization for organized labor in the free world.

The 1949 break was justified by similar reasons to those employed today by the AFL-CIO on the visa issue for communist "trade unionists." Not only is respectability conferred upon organizations which deserve none, but the communists

actively use their "trade unions" and their international labor organizations as fronts for the advancement of influence and control.

The aim of the Soviet controlled WFTU, as with all East-bloc "trade unions," is to find points of agreement with Western unions over seemingly innocuous issues such as health and safety at work, and then to use these common aims, preferably augmented by an international conference, to spread their influence throughout the West. At the same time the ultimate political aims of these communist organizations remain quite clear. They remain unswervingly partisan in their support of Soviet actions. The WFTU supported the Soviet invasion of Hungary, and it remains silent about trials of writers and human rights campaigners in the East-bloc and about workers' revolts in Poland and East Germany. Although some initial criticism was voiced by the WFTU's secretariat in 1968 over the Soviet-led invasion of Czechoslovakia, Soviet control was soon reasserted. Some key WFTU officials were removed from office and the then Italian President was replaced by the Uruguayan communist, Enrique Pastorino.

The Russians make no secret of the role of their own "trade union" organization. Piotr Pimenov, Secretary of the Central Council of Soviet Trade Unions, has written that "the Soviet Trade Unions unreservedly support the Leninist foreign policy of the Communist Party."[1] The WFTU's general secretary, Pierre Gensous, the French Communist, has made it quite clear that "international exchanges between trade unions and countries of different political systems were an important contribution to the strengthening of the front of anti-imperialist struggle, as well as international trade union unity."[2]

Even so, and in the face of all this evidence, many Western trade unions (with the singular exception of the AFL-CIO) have opened up contacts and fraternal relations with some of their East-bloc so-called counterparts. The British Trades Union Congress has taken the lead in this peculiar adventure and for a labor movement ostensibly aligned with a Western social-democratic party it has thrown caution to the winds in this most sensitive of areas. At its 1975 Blackpool Congress the British TUC passed a motion calling for an initiative to bring

1. *World Trade Union Movement* (No.3, March, 1973).
2. *Nachrichten zur Wirtschafts und Sozialpolitik* (July-August, 1973)

the "two world trade union centers more closely together" (the ICFTU and the WFTU) and suggested that it (the TUC) was the best body to take such an initiative. Since then meetings have been going on in Geneva between WFTU officials and British trade union officials – notably Len Murray, the General-Secretary of the TUC, and Jack Jones, head of Britain's largest union, the Transport Workers.

Apparently not content with multilateral fraternization with East-bloc unions, the British TUC has entered upon a whole series of bilateral exchanges which would have been unthinkable for an earlier generation of British union leaders. In 1975 the TUC invited a Soviet delegation to Britain which included a former head of the KGB, Alexandr Shelepin, in his new guise as "trade union" boss of Soviet organized labor. Shelepin had to leave Britain prematurely on that occasion because of public protests; even so, the following year the TUC, evidently undaunted, gave a reception at their headquarters for Boris Ponomarev, the Soviet Communist Party's Central Committee man responsible for coordinating Communist Party activities in the West. So overtly political have the British TUC seem to have become that they now no longer even seek to hide behind some spurious "trade union" cover for their meetings with Soviet party officials. Alexandr Solzhenitsyn went so far as to single out for special condemnation the British trade union movement when he addressed the AFL-CIO in June of 1975. He said, "The leaders of the British trade unions are free to play the unworthy game of visiting the so-called trade unions (of the East-bloc) and receiving visits in return. But the AFL-CIO has never given in to these illusions."

The problem is not confined, though, to Britain. All over Western Europe bilateral trade union contacts between free unions and the puppet organizations of the East have been set in motion. For instance, the East German Trade Union Federation (FDGB), not particularly noted for its ability to engage in free collective bargaining, has established relations at the executive level with a number of Western trade unions, including those of Finland (not particularly surprising), Scotland (where the trade union congress is under communist control), Norway, Austria, Iceland, Belgium and Denmark. The West German trade union movement (the DGB) has also been involved with contacts with the East, but seems of late

to have cooled somewhat towards them.

In many respects, therefore, the continuing opposition to East-West trade union contacts by the AFL-CIO, and in particular their recent hostility towards the International Longshoremen's attempt to follow West European precedents by inviting Soviet "trade unionists" to their conference, is a welcome sign that American labor is not ready, as yet, to throw in their lot with what appears to be a developing trend.

The innocent observer might ask: why is it that decades of tradition have so easily been overthrown? What can free trade unions, operating within free societies and with full rights, possibly learn from agencies of totalitarian governments? How is it that Western trade union leaders can be so suspicious of their own governments and employers and yet so anxious to improve relations with bodies which repress workers abroad? The answer is probably three-fold.

First, there is simple, unadorned, gullibility – always a factor in human affairs. Many West European trade unionists, even those in relatively high and influential positions, are simply unaware of the consequences of their actions. They are often ignorant of the political intent of East-West exchanges and of the propaganda use to which they are put in communist countries. Trade union executives quite like traveling abroad and tend not to discriminate between good hotels in Sophia or the South of France. Indeed, the hospitality is often quite lavish for visiting dignitaries behind the Iron Curtain and visitors, trade unionists particularly, are not encouraged to visit real workers. Trade unionists from the West are not noted for their enquiries on this point, either.

Secondly, and more important, Western trade unions have since their inception been targets for internal Communist Party penetration. Lenin's famous dictum, proclaimed to the foundation meeting of the British Communist Party in 1920, that "we must be able to make any sacrifice, and even – if need be – to resort to various strategems, artifices and illegal methods, to evasions and subterfuges, as long as we can get into the trade unions, remain in them, and carry on communist work within them at all costs"[3] has not gone unheeded. Communists and their fellow-travelers are present in enough numbers in many

3. V.I. Lenin, *Selected Works*, Progress Publishers, Moscow, vol.3, pp. 318-9, 1964.

West European trade unions, which are not even affiliated to Communist Parties, to initiate East-West contacts and to carry along with them the gullible and the junket-seekers when any decision has to be taken. The decision-making processes in many trade unions are often so archaic, byzantine and closed that small, highly disciplined and unrepresentative groups can gain disproportionate power.

Even so, Western trade unions have always had a fair share of the gullible and the fellow-travelers amongst them, and it is only recently that East-West contacts have proliferated. In the fifties and early sixties not one single West European trade union organization, apart from the Communist trade unions of Southern Europe, would have even considered opening relations with the East. Of course, since then, European trade unions have moved to the left somewhat, although this process has been uneven. Only part of the answer can rest with the changing political complexion of unions, for even in Britain where the change has been most dramatic the majority of trade union executives are, if not exactly hostile to the East-bloc, at least non-communist.

The really important new factor is the effect which the policy of detente has had in the internal arguments between left and right within trade union executives. With political leaders in the West proclaiming the need for better relations between East and West, with the "cold war" increasingly derided by opinion formers, and with memories of the invasions of Hungary and Czechoslovakia receding, the whole balance of the argument has tilted against any trade union leader who wishes to oppose contacts.

To a not very politically committed member of a trade union executive the argument proffered by a fellow-traveler that "we cannot turn down this invitation as we would want to further detente, comrades" appears compelling. Even though detente is supposed to involve an easing of tension between governments and the ideological struggle between the free and unfree systems is supposed to go on, involving as it must the whole issue of the rights of trades unions, this is a far too sophisticated and complicated reply to assertions that East and West should get together to increase understanding.

It is in this way, therefore, that the evolution of the detente policy by Western political leaders has positively disarmed many

moderate trade unionists in their battles with their leftists over East-West contacts. It takes a particularly clear-sighted and ideologically committed trade union leader, with ample political support from within his union, to overcome the obstacles placed in his way by the Western politicians who have initiated and supported the detente policy.

In Western Europe, because of the changed ideological atmosphere and the new balance of political forces, it is rare nowadays for a political leader, even of a right of center party, to condemn these new trade union contacts with the East. Indeed, political leaders often encourage them. For instance, in a little-known political move of considerable significance Britain's present Prime Minister, while he was Foreign Secretary, actively supported the development of relations between the trade unions of Western Europe and those of the U.S.S.R.[4] Only a few years ago such support from such a quarter would not have been believed.

No doubt those Western political leaders who give legitimacy to these East-West trade union contacts will argue that it is all part of the Helsinki pact, involving the free movement of peoples and ideas. In reality, of course, it is no such thing. The fact remains that East-bloc "trade unions" do not exist in the sense that we understand them in the West.[5] Contacts

4. In the 1976 General Council Report of the British TUC it was stated that a letter had been received from Foreign Secretary Callaghan to the effect that "The TUC was correct in adopting a pragmatic, step by step approach towards the development of relations between the trade unions of Western Europe and the U.S.S.R.," *Report of 108th Annual TUC*, 1976, p.247.

5. If any more evidence were needed, Vladimir Bukovsky (recently exchanged by the U.S.S.R. after being imprisoned for several years) laid out the facts with great eloquence before a meeting of the AFL-CIO Executive Council on February 25, 1977. See *AFL-CIO Free Trade Union News*, March 1977. He said that: "In the West, the decision to strike is usally taken by the labor union. In the Soviet Union, this is beyond imagination. Soviet trade unions do not protect the workers against hunger, persecution or exploitation. Labor unions in the U.S.S.R. are part of the party-government machine, which addresses itself not to the defense of the interests of working people, but only to the implementation of party-government projects. Even the Soviet Supreme Court, having looked into the practice of court cases involving illegal firings, was forced to point out that the labor union organizations are not observing labor legislation and do not defend the workers actively enough. Workers' complaints to labor union organizations are handed over by them to the KGB. In the verdict of the court in the political case of the truckdriver, Vladimir Pavlov (Maikoptown, 1971), his complaint to the district council of labor unions was taken to be material proof of his guilt. So, there is nothing surprising in the fact that for a ten-year period, the chairman of the Soviet labor unions was the former chairman of the KGB."

between trade unions of East and West are not part of the free flow of people and ideas, they are rather contacts between free trade unions on the one hand and agents of communist governments and indeed communist intelligence agencies on the other.[6] To properly implement the Helsinki agreement it would involve Western trade unionists meeting regularly with real workers from behind the Iron Curtain and discussing with them how best to forward the process of free collective bargaining and other trade union rights. In fact, the East-West trade union issue highlights the inadequacy of detente as it is interpreted by many leaders of opinion in the West.

It would seem that from amongst all the trade union organizations in countries of the Atlantic pact only the AFL-CIO remains keenly aware of the pitfalls of East-West contacts, and how the detente policy has helped undermine the resilience of those who would still wish to oppose what amounts to a submission by major Western industrial organizations to Soviet international strategy.

6. See Dan C. Heldman, *Soviet Trade Unions*, Council on American Affairs, 1977.

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The Most Important Decision-Making Process

DANIEL PATRICK MOYNIHAN

I call your attention to a subject with which public policy has almost nothing to do, but which has almost everthing to do with public policy. I refer to the subject of demography.

The word "demography" is a made up Greek word. It first appears, in French, in 1878, and in English in 1880 and it means the study of births and deaths, the incidence of diseases in populations and that sort of thing.

Perhaps it is unnecessary to say this – I'm not sure – but there is simply nothing so important to a people and its government as how many of them there are, whether their number is growing or declining, how they are distributed as between different ages, sexes (different groups are different in this regard) and different social classes and racial and ethnic groups, and, again, which way these numbers are moving. Moreover – as best I can tell – while these dynamics have a profound influence on government, government has almost no influence on them.

I have often wondered whether Government pays so little seeming attention to these issues for the simple reason that when it does so Behemoth must confront the fact that the great decisions of the world are made by solitary couples – male and female – and are made in bed to boot.

Let me hasten to say, however, that demography is a little like the weather. It is all very well to observe that everybody talks about it but nobody does anything about it. Even so, we spend a lot of effort forecasting it, and with good reason. The same is true of demography, and true in rather the same way. Long run forecasts aren't much good. But the near term is quite predictable, and rewards those who predict it.

The Importance of the Birth Rate

I will go further. If I were to be asked what are the most important qualities a young man or woman can bring to public life and the participation in public affairs, I would say first, a sound knowledge of English composition; second, a modestly

exact acquaintance with the birth rate.

There is a saying among demographers that society is regularly invaded by barbarians. This is true of any society, including, I suppose barbarian societies as well. Now who are the barbarians? They are young males and females – mostly, I fear, males – in that turbulent time which we arbitrarily define as the years sixteen to twenty-four, the period between being a child and being an adult. This is when people settle into their lives, and do or do not settle in about on the lines of those who preceded them. The question of how much change they make (which some would describe as how much trouble they make) very much depends on the ratio of their numbers to the adults who preceded them. Demographers refer to the latter group as the defenders, facing the former group, the invaders.

I should perhaps at this point note that there is much to be said for barbarians. These are the years when people do wonderful things: run the fastest, dance the longest – dance the best. In the very highest of arts – music and mathematics for example – this is when the most creative work is done, at least most often done. But, as I say, much turbulence accompanies this.

Now the 1960s was a period when the invaders almost overwhelmed the defenders – by sheer numbers. Not since Genghis Khan and his hordes came roaring out of the steppes have we seen anything quite like it.

If you go from 1890 to 1960, you find the size of this subgroup, fourteen to twenty-four, growing a little bit each succeeding decade: 10 percent, 8 percent, sometimes not at all, but usually growing a little bit. In the whole of that seventy years, 1890 to 1960, the total increase in the population of that age group, the total increase of the "cohort," as we say, was 12.5 million persons. Then, in the 1960s, it grew by 13.8 million persons, an increase of 52 percent in one decade, five times the average rate of the preceding seventy years.

Nobody was prepared for this, and many of our institutions were almost overwhelmed – or were overwhelmed. And this is the interesting point. Because it had happened *years* before the effects were felt. And hence it would have been an easy enough matter to see it coming. But we didn't. I was a member of the President's Science Advisory Committee during 1971 and 1972 and it was only there – after the decade of the 1960s

was over — that we began to see the demographic basis of so many of its so remarkable features.

The End of the Youth Explosion

But it did come to an end. What is more, during the 1970s this cohort will grow only by 600,000 persons — remember it grew by 13.8 million in the previous decade — and *next* decade it will *decline.*

At the beginning of 1973 I gave a lecture in Massachusetts entitled "Peace." I said that if demography is any guide to the future, all that teenage turbulence, especially on the campuses, was behind us. And indeed it was.

But unemployment was ahead of us. In May for example, teenagers made up 24.5 percent of all the unemployed. This is in part because from 1970 to 1975 the size of the teenage group increased by 4.4 million — that same cohort rolling into the work force. But in this half of the decade, the size increases only two million. Then a long decline commences. Take college age youth, age 18 to 21: there will be 2.5 million fewer such persons in 1990 than in 1980.

Now what does that mean? Well for one thing it means youth unemployment will be much less a problem thirteen years from now than it is today.

The Future of Social Security

But there is a less than cheerful side to this. I hate to think what taxes our young people will be paying thirty or forty years from now to support the vastly enlarged number of old people we will have once those kids of the 1960s turn 65.* The point I wish to make, however, is that keeping these numbers in mind is one of the very best ways of knowing

* *Editor's Note*: Robert Schuettinger in *Saving Social Security* (Council on American Affairs, Washington, D.C., 1977) notes on page 11 that "Early in the next century an important demographic change will become painfully apparent to the Social Security Administration. At that time the babies born in the boom years of the late 1940's and 1950's will reach retirement age. Then it is expected that there will be only two workers paying taxes to support one recipient. That is, there will be a one-third reduction in the number of workers per beneficiary."

In an editorial on March 3, 1976, *The New York Times* warned "If nothing were done to change the existing pattern of benefits or revenues, [social security] tax rates would have to be more than doubled by 2050. This would increase payroll taxes alone to an estimated 22 to 24 percent of income (divided equally between employer and employee)...."

anything about the future, and I sometimes think the only way.

There is more good news and bad news, if you will. The good news is that the world population explosion seems to be coming to an end.

In the period 1970-1975, the world population growth rate per annum was about 1.7 percent. This is a significant reduction from 1.9 or 2.0 percent recorded in 1965-1970.

A large part of this drop was in Asia. From 1965 to 1975, its rate slowed from 2.6 percent to 2 percent. China's rate is now thought to be down to 1.4 percent, from 2 percent in the 1950s. In Latin America, fertility has dropped 15-20 percent in the last decade. Population is accelerating in Africa, but this is due to increased life expectancy rather than to a higher birth rate, and is in any event much more than outweighed by the reductions in Asia and Latin America.

As a result, population projections are greatly reduced. The projection for 2000 used to be 6.5 to 7 billion, but is now more likely to be 5.5 billion – a full billion less. Stability in world population was thought likely to be achieved in about 2030, at a population level of 10-13 billion. Now, stability may be achieved in 2010 or 2015, at only 8 billion or so, and perhaps at a figure as low as 7 billion.

These are the estimates of my friend, and sometime Harvard colleague, the brilliant young demographer Nick Eberstadt.

No one knows just why it happened, although it's not government that did it, and yet it seems to be happening everywhere. Mr. Eberstadt, for example, notes that population movements in China and Europe were remarkably synchronized during periods when the civilizations had virtually no contact with one another.

Our Declining Population

What this comes to is that the population growth of the United States is slowing down rapidly. For those of us who have not altogether despaired of the wisdom of government let me add this perhaps final blow. Back in 1969 the President of the United States sent to the Congress the first message ever on the subject of population. I know because I wrote it. And it was a fearsome message. The world was drowning in people. America was drowning in Americans.

By some unwritten rule, almost at that very moment, the fertility rate for American females dropped below the reproduction rate.

In order for a population to reproduce itself, each female must have 2.1 children. The average, that is. In 1972 the rate for American females fell below this to 2.02 percent. The estimate for 1976 is 1.76 and it may be even lower.

In the whole of this decade, as a consequence, one quarter of the population increase in the United States will come from immigration.

This does not mean that our population will actually decline in the years immediately ahead (thanks in part to immigration), but it will decline eventually, and not that far off (again depending on our immigration statistics).

And what does that mean? I will offer you one guess. We will get glum. A people who don't reproduce themselves are saying something. I don't want to get into a lot of trouble by saying what I think they are saying. I'll warrant it's not anything cheerful. The distinguished Johns Hopkins professor Margaret Bright had remarked, for example, that in the 1930s much of the gloom of the democratic nations, and much of the fury of the totalitarian nations, was a response to the thought that they were dying out.

Do not take this to be a personal plea to do anything about it. As I said, exhortation from governments, or legislatures, seems to have precious little influence on such matters. And a good thing, too. But they are fascinating matters, and I hope in the years ahead all of us will give them occasional thought.

(Continued from page 6)

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The New Foreign Policy Network

ROBERT L. SCHUETTINGER

Foreign policy-making in most nations has always been in the hands of an elite, and the Carter Administration, with all its talk of "populism" and a "new spirit" has done little to change this. Despite Hamilton Jordan's pre-election promise to quit if men "like Vance and Brzezinski" were put in charge of foreign policy[1] a small group remains in charge.

As *New Republic* editor Roger Morris noted in *The Washington Monthly* (September, 1976):

> Of the 23 names on the Carter foreign and defense policy task force, all but a token few belong to the same tiny, incestuous world—Brookings, the magazines *Foreign Affairs* and *Foreign Policy*, the foundations, the investment and law firms—it is a seamless web in which perhaps a hundred people circulate, talking to each other, reading each other's articles (as much, one suspects, to keep track of rivals as to learn), promoting each other, and of course positioning themselves for calls from the Jimmy Carters.

There has been considerable public discussion of the comings and goings of the senior appointees in the State Department, the National Security Council and related posts in other agencies. Much has been written of the affiliations of Cyrus Vance, Warren Christopher, Zbigniew Brzezinski, Walter Mondale, Michael Blumenthal, Harold Brown (and Jimmy Carter) with the Trilateral Commission. Most of the top office holders are also members of the Council on Foreign Relations (and have attended Bilderberg or Bohemian Grove conferences at one time or another or have lectured at Foreign Policy Association or United Nations Association or League of Women Voters seminars).

There is a much lesser known network[2] (as it has been called by

1. As this article went to press, he hasn't quit. Perhaps he knows something most of us don't?

2. Evans and Novak in their *Washington Post* column (January 31, 1977) referred to the "left-of-center foreign policy network" which had managed to pull off what one source described as a "coup d'etat" to give themselves effective control of the State Department. Lest anyone misunderstand, there is no question of a conspiracy to seize power. There is little doubt, however, as will be demonstrated, that such an informal network does exist. Its composition and how it works make for a fascinating study of American bureaucratic power in 1977.

several experienced observers) at the second tier of foreign policy appointments, the "junior varsity" as *The New Republic* puts it. There is considerable evidence that this network of assistant secretaries and equivalent officials is in at least many respects more influential than their nominal superiors.

> It is in many ways another government unto itself, largely unknown and unaccountable, with potential power far greater than its nominal authority. Behind the more familiar cabinet figures . . . a thick second echelon of appointed officials now is pretty much in place. They will proceed to write the memoranda, shade the briefings, bargain with the bureaucrats, manipulate the varying doubts, prejudices and ignorance of their superiors, and in the process quietly shape much of the Carter Administration's foreign and defense policies.[3]

The New Republic's description of these second echelon State Department officials sounds very much like a portrait of the activities of Congressional staff. The similarity should not be surprising since one of the main characteristics of "the Network" is the Senate (and sometimes House) background of many of its key members.

A recent article from the Russian journal *Ekonomika, Politika, Ideologiya* (March 1976) knowledgeably quoted an American source to inform its readers of the role played by a Congressional staff member in Washington. He is "the man who does everything behind the scenes, the unseen hand which holds the necessary speech for the given moment, the unseen mouth which makes the proper reminders and suggestions at critical moments, and the unseen brain which prepares statements and the substantiation for views on any matter." Because of this, the Moscow publication noted, "The staff of the U.S. Congress is justly regarded as one of the most important centers of power on Capitol Hill."[4]

Senator Robert Morgan recently put it even more strongly. "This country is basically run by the legislative staffs of the Senate and Members of the House of Representatives . . . they are the ones who give us advice as to how to vote, and then we vote on their recommendations."[5]

3. Suetonius, "The Junior Varsity," *The New Republic*, February 19, 1977, p. 12.

4. The Soviet analyst went on to tell his doubtless pleased readers that "Senators . . . G. McGovern, M. Hatfield, P. Hart, F. Church and a number of others achieved popularity by pushing for the reduction and even the cancellation of appropriations for the development of the B-1 bomber . . . but the materials on these matters were prepared by aides . . . many of [whom] are so influential that they are something like 'grey cardinals' in the legislators' offices."

5. Michael Andrew Scully, "Reflections of a Senate Aide," *The Public Interest*, Spring 1977, p. 42.

As anyone who has worked for the Congress knows, the distinguished Senator overstates the case; however, there is an identifiable class of aides who do come close to playing the role of junior partner to a number of influential Congressmen. These are "entrepreneurial" staff who work together to "form a network [of like-minded persons] every bit as intimate as the one tying business lobbyists to Members of Congress on golf courses."[6] They have similar backgrounds and ideas and support each other at critical junctures. They represent a new departure from the old "feudal system" whereby a young squire would come to Washington to serve a lord and rise (or fall) in the world with him. They are not dependent on any one "lord" (Senator, Congressman, Cabinet Member); because of their inter-connections with each other and with outside institutions (especially foundations such as the Brookings Institution, the Ford Foundation, the Carnegie Endowment for International Peace, etc.) they have considerable independence and freedom of action.

The members of the "Network" operate to a great extent as an independent power bloc. Typically, they obtain an idea for a bill from some outside source (an article in *Foreign Policy* magazine, a conference sponsored by the Brookings Institution); they then obtain support in their circle and decide to which Senator they will offer their "product." If the selected Senator does not "buy" the product, they go on to another until they "sell" their bill. They then undertake to give their "sale" complete marketing service. They employ their Network contacts to see that enough Senators support the bill and that hopefully it passes. The "customer" then gets the credit with his voters back home (and with potential supporters of his forthcoming presidential campaign) and all parties to the transaction are happy.

Senators Mondale, Humphrey, Muskie, McGovern, Church, Case and Javits were steady customers on the Senate side for the products of the Network. The war powers bill was one such product; others were the slashing of funds for South Vietnam and Cambodia, and the widely-publicized investigation of the nation's intelligence agencies. The more liberal Senators were certainly eager customers. They were tired of the "papa knows best" attitude of the administration; they welcomed expertise which would enable

6. Michael J. Malbin, "Congressional Committee Staffs: Who's in Charge Here?", *The Public Interest*, Spring 1977, p. 35.See also David E. Price, "Professionals and 'Entrepreneurs': Staff Orientations and Policy Making on Three Senate Committees," *Journal of Politics*, May 1971, and Spencer Rich, "An Invisible Network of Hill Power," *The Washington Post*, March 20, 1977.

them to do battle with the State Department and the White House on more equal terms.

The Network supplied the professional skills needed. Since 1967 a steady stream of ex-Foreign Service Officers (FSO's) has made its way to the Hill. Some were originally recruited by various Congressional fellowships and many liked the freedom of action and the chance to affect policy directly and stayed on Capitol Hill. Others made a conscious choice to leave the Foreign Service or the National Security Council staff where their views were being ignored.

A recent observer of this migration has written that "It is not too much to say that behind every significant congressional initiative in foreign policy since the war turned sour there has been a former member of the Foreign Service." This same commentator went on to note that "a network [was] established."[8]

One of the influential leaders of this network was (and is) William G. Miller, currently staff director to Senator Daniel Inouye's Select Committee on Intelligence. He first came to the Hill in 1967 and he has been unusually successful in persuading other FSO's to join in the fun . . . so much so that he has been called "the Godfather" of the Hill foreign policy network.[9]

Another principal of the Network is Richard Moose, recently appointed Assistant Secretary of State for African Affairs. In fact, Moose's career is a paradigm example of the network in action. He first came to Congress in 1966 after being awarded an American Political Science Association Fellowship for FSO's. He spent several months working for Rep. Morris Udall and then moved to the office of Senator J. William Fulbright, then Chairman of the Foreign Relations Committee. He next returned to the National Security Council staff under Professor W. W. Rostow. Unhappy with Rostow's firm position on the Vietnam war, Moose transferred

7. Many Members of Congress in recent years have taken advantage of the supply of free and talented labor provided through Congressional fellowships. A number of foundations and professional associations (such as the American Political Science Association) award stipends to persons from various fields (the Executive Branch, teaching, journalism, etc.) who wish to spend a few months or a year learning about the Legislative Branch. In many cases persons who have contacts with the relevant "networks" (which are usually led by individuals who believe in the expansion of government power at home and the diminution of a U.S. presence abroad) have an advantage in the selection process. Conservative Members of Congress for various reasons have been slower to make use of the professional skills available to them than have their liberal counterparts.

8. Frederick Poole, "Congress v. Kissinger: The New Equalizers," *The Washington Monthly*, May 1975, p. 23.

9. *Ibid.*, p. 24.

to the Ford Foundation where he worked on a study on decision-making in foreign policy. While immersed in the Ford project he came into contact with Henry Kissinger and believing the new administration might end the war quickly he returned to the NSC staff. After a few months, he apparently became disillusioned with Kissinger and Nixon and left again, this time to return to the Senate Foreign Relations Committee. As a staff member of that powerful committee he was able to wield considerable influence. On a study tour to Cambodia in 1973, he and another committee consultant, James G. Lowenstein, who is currently Ambassador to Luxembourg, discovered that our embassy in Phnom Penh was directly involved in ordering bomber strikes against Communist units on Cambodian soil. After a similar trip to Laos, Moose was able to force the administration to reveal the extent of our bombing missions there.[10] Just before the last election, Moose undertook a study mission to Africa on behalf of the Chairman of the African Affairs Subcommittee, Senator Dick Clark. After President Carter's inauguration he was appointed Deputy Undersecretary of State for Management, a position with considerable influence over the assignment of key personnel.

Just before the new administration took office, Moose was one of the leading members of what was probably the most influential of all transition teams, the so-called "State, Defense and Intelligence Cluster," chaired by Anthony Lake, an ex-FSO with a career not unsimilar to Moose's own. Of the 19 members of that team at least eight had professional experience on the Hill and others had worked in the campaigns of various Congressmen. Many had connections with such foundations as Brookings, Ford and the Carnegie Endowment.[11]

We can easily see how the network functions by glancing at the career-patterns of some of the leading members of the national security transition team. David Aaron, 37 years old, was appointed

10. *Ibid.*, p. 29.

11. A list of the transition team members was published on November 24, 1977 by *The Washington Post* (p. A6). The Lake team was markedly more successful in obtaining jobs for its own members (and for friends of its own members) than were the other transition teams largely because it ignored Carter's often-stated pledge to reach out beyond the Eastern establishment and find able people from all over the nation. One observer noted that "The Carter organization's renowned Talent Inventory Program compiled additional names for the foreign policy positions. Many of the TIP prospects were drawn deliberately from outside the East Coast. But . . . the lists of fresh names soon disappeared. The jobs, you see, had already been taken. TIP was overruled, as one disillusioned participant put it, albeit too simply, by 'the friends of Tony Lake.'" (Roger Morris, "Thomson, Moyers, and Ball: Prophets Without Office," *The Washington Monthly*, June 1977, p. 46.

deputy to the director of the NSC staff, Zbigniew Brzezinski. Aaron had previously served under Kissinger at the NSC, and later became a foreign policy adviser to Senator Walter Mondale on Lake's recommendation. Carter's running-mate, characterized by Eugene McCarthy as having "the soul of a Vice President" fits in perfectly as the President's "chief of staff" having been appointed to office (the U.S. Senate and, in effect, to the Vice Presidency). Mondale, knowing very well how "staff" function, has exerted his considerable influence (and knowledge of Washington) to see that the right people have been placed in the right slots throughout the national security establishment.

Near the center of the new foreign policy network is Anthony Lake, 37, the ex-FSO who served as head of the transition team and who is now Director of the policy planning staff at State. Although not a professional Congressional aide himself (he did work in the Presidential campaigns of Muskie and McGovern) while he was at the NSC Lake was in close contact with the group of liberal Senate aides who were then in the process of turning our foreign policy around. After a tour of duty in Vietnam, Lake moved to the NSC where he tried to convince Kissinger that the wrong strategy was being pursued. After the bombing of Cambodia, according to Lake himself, he resigned in protest; some who knew him then say his leaving was largely an inability to get along with Kissinger personally, still others allege that Lake asked for a promotion, was denied what he wanted, and then quit.

In any event, Lake went to the Council on Foreign Relations in New York where he edited an anthology on the Vietnam experience and to the Carnegie Endowment where he supervised a project on Rhodesia which led to another publication, *The 'Tar Baby' Option.* According to the non-partisan *Library Journal,* in this review of our Rhodesian policy "the author frequently [casts] moral aspersions on those holding views opposing his own."[12]

Whatever the scholarly value of these books, however, the years in New York strengthened old contacts and opened new ones for Lake with the foreign policy "Community," as it calls itself. The Carnegie Endowment, a mainstay of that Community, is presided over by Thomas L. Hughes, an exceedingly able FSO who directed State's Bureau of Intelligence and Research in the 60's. A former Rhodes Scholar, he spent more than a year in London as Deputy Chief of Mission. In 1971, he came to New York and began to recruit a roster of bright young men to the Carnegie Endowment in

12. *Library Journal,* July 1976, 101: 1510.

an effort to change its stuffy image. The network of liberal young activists responded with enthusiasm. (Hughes, himself, by the way, spent five years as an aide in both the Senate and the House before entering the State Department.)

Besides Lake, several other network members passed through Carnegie at this period. The new U.S. Representative to the United Nations Security Council, Don McHenry was one such visiting fellow. McHenry is a career FSO with a PhD from the Georgetown School of Foreign Service who was also a guest scholar at the Brookings Institution in 1971. While at Carnegie he was Project Director for Humanitarian Policy Studies and wrote a book on Micronesia; he has also written for *Foreign Policy*. In 1976, McHenry was tapped to work on Lake's transition team, just before receiving his UN assignment from Carter's "plum book."

Another transition team member who also put in time at Carnegie (and who had his ticket punched in the Congress first as a Congressional Fellow in 1970 and then as a Senate aid from 1971 to 1972) was Charles William Maynes, Jr., "Bill" to his friends. Maynes was appointed Assistant Secretary of State for International Organizational Affairs; as such he is the State Department official who theoretically directly instructs Ambassador Andrew Young. Maynes has what must be regarded as almost perfect qualifications for this post; he served as a Disarmament Officer for the Bureau of International Organizations in 1962-65 and from 1974-77 he was Director of the International Organization Program at Carnegie (presumably the recognized "shadow" minister for international organizations for the reputed "government-in-exile" based at Carnegie, Brookings, and Ford.)[13]

One of the most interesting young men from this group is Richard C. Holbrooke, now Assistant Secretary of State for East Asian and Pacific Affairs. At a young age (35) Holbrooke holds one of the most critical posts in the government; if there is a real danger of war anywhere today it is in Korea; his bureau also supervises U.S. relations with Japan, the Republic of China on Taiwan, the People's Republic of China and our tenuous contacts with the new Vietnam.

According to a series of profiles entitled "Carter's Little Kissingers" which appeared in *New York* magazine (December 13, 1976) "Holbrooke is a point where many lines cross." Like Lake, he is an ex-FSO who served in Vietnam; also like Lake, he took a

13. Hughes himself as President of the Carnegie Endowment, was recognized by many as the "shadow" Secretary of State. No system, however, is perfect.

mid-career leave to study at Princeton University; again like Lake, he did a tour in the White House. While Lake was directing a private Peace Corps (International Voluntary Services, whose board included Holbrooke and Paul Warnke among others) Holbrooke was Peace Corps Country Director for Morocco. After Lake turned down the job of Managing Editor of *Foreign Policy*, Holbrooke, on Lake's recommendation, was appointed.

Published "in association with" Carnegie (Thomas Hughes is Chairman of the Editorial Board), *Foreign Policy* in its seven years existence has become one of the most influential of public policy journals. It soon attracted a group of young foreign affairs and defence specialists who fed it provocative ideas and articles. Compared to the arch-vehicle of the establishment, *Foreign Affairs*, the new quarterly soon became known as younger (when it was founded in 1970 mostly by men in their forties, the rival *Foreign Affairs* was then 48 years old and edited by a gentleman close to 80) livelier and more brash (many of the articles "made news" and were widely quoted and reprinted in other publications). For example, the article by CIA analyst Roger Glenn Brown on China policy (it favored early recognition of Peking) in the Summer 1976 issue caused a stir (and led to some new guidelines being laid down for active CIA officers). Initiatives later adopted by liberal Senators on such issues as arms control (Warnke was a frequent contributor) arms sales, human rights and other "global issues" were (and are) often first surfaced in the pages of *Foreign Policy*.

Holbrooke's talented editing of this influential journal earned him a place among *Time*'s bicentennial listing of leaders of the future in 1976. Yet, like most people in his position, he receives mixed reviews. A *Washington Monthly* article described him as having "visibly more naked self-promotion with less ability and experience and fewer trusting patrons"[14] than Lake. A liberal newsletter, *The Baron Report*, called him "extremely ambitious"[15] and implied that he was something of an opportunist when he backed Carter at an early stage (when after all, Udall, Shriver, Harris, Bayh and other such luminaries were still in the running). Holbrooke, when established as a key Carter staff researcher on foreign affairs, did publish a notably moderate piece in the Summer 1976 *Foreign Policy*,[16] entitled in very statesmanlike fashion "A Sense of Drift, A Time for Calm." He has presumably redeemed himself with the network

14. *The Washington Monthly*. *op. cit.*, p. 47.
15. *The Baron Report*, January 25, 1977, p. 2.
16. Known in the trade as "the last chance to get aboard" issue.

since, however, by pushing such policies as recognition of the Socialist Republic of Vietnam, withdrawal of U.S. troops from South Korea, early recognition of Peking and other such forward-looking initiatives.[17]

Another regular contributor to *Foreign Policy* and a good friend of Lake and Holbrooke is the new Director of the Bureau of Politico-Military Affairs, Leslie Gelb, 39, until recently diplomatic correspondent of *The New York Times*. Gelb spent a four year stint at Brookings where, like Lake up at the Council on Foreign Relations, he wrote a book on the lessons of the Vietnam war. Before joining the Defense Department in 1967, Gelb worked for Senator Jacob Javits. While a reporter for *The New York Times*, Gelb routinely wrote the front-page story for *The Times* based upon the "lead" article in the current issue of *Foreign Policy*.[18]

Yet another former Congressional aide (Senate Committee on Intelligence) who also served on the transition team, Lynn Davis, 33, has just been appointed Deputy Assistant Secretary of Defense for Policy Plans and National Security Council Affairs. In this post Davis is ideally situated to coordinate with Gelb and Lake at State and Aaron at the National Security Council (and with Aaron's Special Assistant, Rich Inderfurth, who, by coincidence, also served on the Senate Committee on Intelligence).[19]

The Washington Post on July 26 announced that the most recent Carter appointee in State, Benjamin Read, will be Under Secretary of State for Management. Not surprisingly by now, Read also has some ties to the network. He has been a legislative assistant to

17. On May 3, 1977, he told *The New York Times* that "The day when we were obsessed by security commitments is over and that strengthens us because it frees us." (p. A12).

18. As noted, Gelb wrote frequently for *Foreign Policy* during this period. In the Fall 1975 issue, he co-authored an article with Anthony Lake telling Congress what a "sensible" foreign policy would be like. Lake and Gelb informed Congress that it can reverse itself "when its mistakes are apparent, as in linking trade and Jewish emigration from the Soviet Union." They concluded pessimistically that "we shall have to wait till next year for broad movement toward a sensible foreign policy." (p. 238).

Gelb also wrote the lead article on the subject of arms sales for the winter 1976/77 issue of *Foreign Policy*. Evans and Novak reported soon afterwards (in *The Washington Post*, April 18, 1977) that the administration was moving toward "a reduction of U.S. arms sales abroad that is drastic enough to dislocate foreign policy, thereby showing what can be accomplished by middle-level officials unknown to the public." They went on to write that "the arms sales proposals — along with a great many other things in the Carter administration — bear Gelb's imprint." They added that "National Security machinery is now controlled by what was frequently called The Network — youthful liberals on Capitol Hill and in tax-exempt institutions who operated a government-in-exile during the Nixon years."

19. Inderfurth also was on the transition team and has worked for Senators Proxmire, McGovern and Gary Hart. Besides his connection with Mondale, Aaron himself had also been with the Senate Committee on Intelligence. As one commentator in *The New Republic* (February 19, 1977) exclaimed, "It goes on, folks."

former Senator Joseph Clark and was until now President of the German Marshall Fund, to which Richard Holbrooke was a consultant and of which Thomas Hughes of Carnegie is Secretary. Earlier, Read was reported to have unsuccessfully tried to hire Moose as his vice president at the fund. As it turns out, Read is now Moose's successor at State.

The Assistant Secretary of State for Congressional Relations, quite naturally has had experience on the staffs of Senators Muskie, Humphrey, Eagleton and Ribicoff. Additionally, however, Douglas J. Bennet, Jr., 39, is also part of that group of ex-FSO's who came to the Hill during the Vietnam war.

In Secretary Vance's own office we now have Special Assistant Dan Spiegle, 31, (transition team member, former aide to Senator Humphrey and a close associate of Moose's in the Senate) and Special Assistant Peter Tarnoff, an old friend of Holbrooke and Lake from Vietnam days.

Outside of State itself, the network has managed to hold its own. Besides Aaron and Inderfurth (already mentioned) at the National Security Council staff there is Jessica Tuchman, who has worked for Udall, in charge of "Global Issues," Robert Hunter in East-West Relations and a former foreign policy adviser to Senator Edward Kennedy. Gregory Treverton, in that same section, is another alumnus of the Senate Select Committee on Intelligence.

At Treasury, the new Assistant Secretary for International Economic Affairs as C. Fred Bergston, 36, a former NSC staff member, senior fellow at Brookings and a regular contributor to *Foreign Policy*.

At the Agency for International Development, the Deputy Assistant Administrator for Africa is Golder T. Butcher, formerly chief aide to the House Subcommittee on African Affairs, chaired by Rep. Charles Diggs.

The transference of the network from its offices on Capitol Hill, Carnegie, Brookings and other liberal think-tanks to the new levers of power in American foreign policy was clearly accomplished with skill and a sure instinct for where influence lies.[20]

The State Department has undergone rapid and important changes in the last few months and not everyone there, as may be

20. Not everyone in the network has moved into the administration. As previously noted, William Miller remains with the Senate Committee on Intelligence. Robert B. Boettcher, another able ex-FSO, prefers to stay as staff director to Rep. Donald Fraser's Subcommittee on International Organizations which has been exposing violations of human rights throughout the world. A good many others believe they can accomplish more where they are presently situated; someone, after all, has to mind the store.

expected, is happy with their new masters. *The New York Times* for February 19, 1977 (p. 3) reported grumbling about "empire builders" and "arrogant self-confidence." Bernard Weinraub reported with marvelous understatement that "In the view of critics in and out of the State Department, the new team seems cliquish in official relationships. Many of the new officials are colleagues . . . are contributors to *Foreign Policy* magazine, and have been linked either to the Brookings Institution or the Carnegie Endowment for International Peace."[21]

In a recent confidential memo published (quite naturally, nowadays) in *The Washington Star* for June 24, 1977, p. 2) Neil A. Boyer, a Foreign Service Reserve Officer who is Chairman of the Secretary's Open Forum, complained that "of the 36 most senior positions in this department, 22 are now filled by political appointees, as compared with only 12 in the last administration."[22] He went on to notice the phenomena of a very sizeable number of young FSO's who have "discovered" the mechanism (unsettling to their seniors, of course) by which at the age of 35 to 40 they can hold posts they would not normally be considered for until they were at least 10 years older. As we have seen, the "mechanism" is simple: quit the foreign service, obtain a job working for one or more influential Senators or Congressmen, become part of a mutually supporting network of likeminded young men,[23] broaden one's contacts by connections with think-tanks, advertise one's forward-looking views by publishing in *Foreign Policy* or other liberal journals and then, having acquired political pull, come back to the State Department 5 to 7 years later and move into a senior policymaking office, depending, of course, on the election of a hospitable administration.

Not only has the State Department in the last few months been thoroughly politicized, it has also been "liberalized." The centrist Coalition for a Democratic Majority led by such moderate Democrats as Senators Henry Jackson and Daniel Patrick Moynihan (who represent a majority of the Democrats in the country) has been "shut out" of all influence in selecting these new senior officials. According to an Evans and Novak column in *The*

21. The Carnegie Endowment, having a small professional staff compared to Brookings, is now almost empty of personnel at the policy level.

22. *The New Republic* also noted that "whereas all the Assistant Secretaries of State and officials of equivalent rank under Kissinger (with three exceptions) were career Foreign Service officers, seven of these posts are now in the hands of outsiders." (May 28, 1977, p. 20).

23. It is an interesting sociological phenomenon that the Network is almost entirely male.

Washington Post (January 31, 1977) the CDM, after consulting the AFL-CIO, presented 53 candidates for office in national security affairs. "So far," they wrote, "only one of the 53 — former Senator Gale McGee [who as a member of the Foreign Relations Committee could hardly be denied a slot if he wanted one] has been named to a national security post (ambassador to the Organization of American States, which has little or no impact on policy)." It is a tribute to the political skill of the network that Senator McGee has generally liberal views in that particular area of policy; he favors a new Panama Canal treaty, for instance.

In conclusion, it should be emphasized, that there is no suggestion of a "conspiracy" in all this. This is the way the foreign policy "club" functions in 1977; thirty years ago it would have been different. A young man with good family connections, a McGeorge Bundy for example, would come down from Harvard and help an eminent elder statesman write his memoirs; he would then move in all the right circles in the Wall Street banks and law firms, teach at an Ivy League college, write decorous articles for *Foreign Affairs* and then confidently await a call from the White House. *Plus ça change, plus c'est la même chose.*

Centrists and conservatives have their "networks" on and off the Hill and in foundations also. The major difference is that in 1977 the liberals are in and the conservatives and moderates are out. The French have a saying about that, also.

As *The New Republic* summed it all up recently, "Some among this establishment junior varsity can and almost certainly will succeed to the highest positions in a future Democratic administration, whatever their record in the next few years. Taken together, they are a profile of how we are likely to be governed in national-security matters for some time to come."[24]

24. Like one of Macbeth's witches, I will end with a last footnote. It is altogether possible that the next Democratic candidate for President (in 1984 . . . or, for that matter, in 1980) will not be Jimmy Carter or Walter Mondale or Andrew Young. It might well be someone who is *not* part of the Network.

A Note on the Sentencing of Criminals

ERNEST VAN DEN HAAG

In 1952, Mr. Justice Black wrote: "Retribution is no longer the dominant objective of criminal law. Reformation and rehabilitation of offenders have become important goals of criminal jurisprudence."[1]

His description of the trend was correct; but Justice Black's acceptance of it I deem to be a mistake. Apart from incapacitation, the purpose of punishment must be to do justice: to punish those who by violating the criminal law deserved and have invited the punishment threatened by it. This is the threat or the promise of the law. As is any promise, that threat is a moral obligation that must be carried out regardless of usefulness. (There is a common misunderstanding here: it is believed that the obligation is to the criminal. It is not. It is to those who, perhaps because of the threat, did not commit crimes.) Further, if the threat is not carried out when the law is broken, it becomes incredible and, therefore, ineffective in restraining future lawbreakers. This would defeat the second purpose of the legal threat: to restrain prospective future lawbreakers from breaking the law.

Promises should be kept; threats should not be made unless one proposes to carry them out. Else they will be regarded as bluffs. If they are, threats cannot restrain or deter prospective law violators. Deterrence requires that the threats of the law be carried out by inflicting punishment — not rehabilitation — on those who volunteer to risk it, by breaking the law. Crime is deterred by the threat of punishment only as long as it remains credible. Thus, unlike Mr. Justice Black, I believe that the "dominant objective of criminal law" must be to do justice by punishing as threatened and thereby also to deter others. Rehabilitation, however desirable, cannot take the place of justice and deterrence. Moreover, attempts to achieve it lead to gross injustice and necessarily must fail, as indeed they have. Let us consider the distortions of justice that have occurred to accomodate these attempts.

1. Dissenting in Carlson v. Landon, 342 U.S. 254, 549.

On Mandatory Sentences

At the present time, considerable sentencing discretion is given to courts. After they have exercised it, parole boards determine what part of that sentence passed by the court is actually served. I oppose the discretion given judges and favor narrowing it to near zero. The law should mandate the sentence for each crime.[2] I propose further that parole and parole boards be abolished altogether.

Essentially sentencing discretion is left to courts because (a) the circumstances of each crime differ, and it is believed that the judge, familiar with the case, is the best person to adapt the sentence to those circumstances; (b) the personality of each criminal is different, and again it is believed that the judge is more able than the legislator to adapt the punishment to the individual personality of the offender, to his degree of guilt, and to his chances for rehabilitation.

Certainly each crime is committed in different circumstances of an aggravating or extenuating nature, which legitimately ought to influence the sentence imposed by the court. However, these circumstances can be classified and listed in the law to a very large extent. Judges can be legally instructed to increase or decrease sentences accordingly. Thus, judicial discretion can be severely limited while aggravating or extenuating circumstances still can properly influence sentences. This limitation of judicial discretion is desirable, for without it elements of judgment (negatively expressed, of capriciousness) necessarily prevail. They give the appearance of injustice, at least of inequality, and sometimes the substance as well. Moreover, uncertainty about the sentence to be expected reduces the deterrent effect of punishment -- crime becomes more of a gamble than it need be. Thus, I would make all sentences mandatory, allowing judges to increase or decrease the mandated sentence by no more than 10 percent for reasons (to be stated in passing sentence) beyond those specified in the law.[3]

Defendants differ, and this, too, is alleged to necessitate judicial discretion. Some, it is argued, have personalities more

2. The only penalty that I believe should not be mandatory is the death penalty. Courts should be able to chose between it and life imprisonment for the reasons that the Supreme Court has specified in recent decisions.

3. S. 1437, a bill now before Congress, proposes a sentencing commission that would elaborate guidelines. This, if properly done, would have nearly the same effect as making sentences mandatory.

and others less susceptible to rehabilitation. This may be so. But, as has been noted, the purpose of a sentence is to punish those guilty of crime – rehabilitation is incidental to such punishment. Else, defendants not in need of rehabilitation could be released, guilty or not, and unrehabilitated offenders would have to be kept indefinitely. This would be unjust. Nor would it serve deterrence – it would indeed grant everybody immunity for at least one crime, provided he is found unlikely to commit other crimes.

At any rate, there is no evidence whatsoever that judges, even when aided by probation reports, or by psychologists, are able to gauge personality differences and to adapt sentences to them. Sentences are much more likely to be adapted to the personality of the judge than to that of the defendant. Of this there is empirical proof in the literature, which suggests that some judges are considerably more lenient (or severe) than others, who may be presumed to sentence a similar assortment of personalities and offenses. Additional evidence indicates that some judges habitually deal with some types of offenses severely, while other judges deal leniently with that same type of offense. So much for judicial discretion. I suggest that it be so restricted that offenders having committed the same crime, as legally defined, can expect the same mandatory sentence.

Is Rehabilitation possible?

The major purpose of parole has been to release from prison offenders who, in the opinion of the parole board, are rehabilitated. Since the parole board thus determines within a minimum and maximum the actual length of any sentence, it necessarily makes all sentences indeterminate. This practice is unjust; it leads to wholly capricious punishment; and, finally, it does not and cannot achieve its purpose of releasing the rehabilitated and keeping those who are not – regardless of whether that purpose itself is justifiable.

No one has ever shown that behavior within prison enables parole boards to infer anything about behavior upon release. Experience indicates that it does not. And why, indeed, should behavior in the very special conditions of prison tell us much about behavior outside? Yet all elements, other than behavior within prison, are already available at sentencing time and do not require a parole board to second-guess the

sentencing judge. Still, the idea that a parole board can estimate progress in rehabilitation by considering behavior in the prison setting persists. (So do parole boards.) Let me add that the idea implied by Mr. Justice Black, and accepted by influential writers, that rehabilitative treatments can replace punishment, is theoretically absurd. Rehabilitation could succeed if preceded by punishment: punishment, if sufficient, may show the offender that crime is self-defeating and might motivate him to avoid it in future. Possibly, rehabilitation programs may *subsequently* help him to do so, but unless the program *follows* punishment, the offender has no motive for actually wishing to be rehabilitated. His crime has paid. Therefore he cannot be rehabilitated. In practical terms, no program has yet been discovered to effectively help rehabilitation.[4] Perhaps rehabilitative programs to help non-career criminals will be discovered and validated in the future. Although they may be added to it, they can never take the place of punishment as long as it is to be both just and a deterrent. At present, rehabilitative programs simply foster, abet and reward whatever histrionic and manipulative abilities prisoners possess. For, what is actually evaluated by parole boards is how well the prisoner gets along with the prison authorities and their notions of appropriate prison behavior,[5] or of behavior indicating rehabilitation.

Somewhere between a quarter and a half of our prisoners are recidivists. (The data do not permit greater specification.) The rest are not. There is no evidence that any rehabilitation program here or abroad has ever made a difference in these proportions, in producing a change, in leading more people to be law-abiding upon release. It is quite possible that imprisonment itself does have effects, at least on the non-professional offenders, or that there are spontaneous changes. But there is no evidence that released offenders upon release commit either fewer or more crimes than they would have committed had they never been imprisoned. (Possibly the rehabilitative and criminalizing effects of imprisonment statistically offset each

4. One must be careful to distinguish (1) rehabilitation brought about by the influence of extraordinary personalities – which, by definition, cannot be institutionalized; (2) rehabilitation by age, punishment, or other factors; (3) rehabilitation by a specific non-punitive program. It is the latter that nowhere has succeeded when institutionalized.

5. Elaborate pseudo-scientific tests do not change that situation.

other.) Above all, there is no evidence that any specific treatment during confinement – any rehabilitation program – makes a difference.

The methods now used by parole boards do not ascertain the likely future behavior of a prisoner. Hence, there is no reason why the sentencing should not be left to the law and the judge. The parole board should be altogether abolished. Evidence abounds indicating that a disproportionate number of crimes are committed by previously incarcerated offenders, many released on parole. Among them are many career criminals whom parole boards believed rehabilitated.

Lest I be misunderstood, I do not necessarily advocate lengthier confinement for all offenders. I do advocate less arbitrary decisions on confinement and more equal sentences determined by law and by the courts, without any parole provisions whatever. I do not wish to eliminate "time off for good behavior" either. As long as it is a privilege and not a right, and left entirely to the prison administration to grant or withhold, "time off for good behavior" is a valuable tool of prison discipline. However, the maximum "time off" should never exceed 10 percent of the sentence being served. Else prison wardens gain excessive arbitrary power and sentences would no longer be determined by the law and by the courts. On the other hand, 10 percent of the sentence is enough incentive for proper conduct for any convict at all responsive to positive incentives.

To Limit the Powers of Parole Boards

It is frequently thought that our prisons would become over-crowded if parole boards did not release people. But if shorter effective sentences are desired, this can be accomplished by reducing penalties judicially or legislatively. Parole boards are not needed to shorten time served.

However, if severe effective sentences do reduce the crime rate by reducing the number of crimes committed by those incapacitated -- and that is likely, since many crimes are committed by a small number of "career criminals" – lengthy confinement would still cost less than release would. The additional crimes committed by the released convicts cost more to victims and to the criminal justice system than confinement does. Thus, if the prison population were to increase, investment in more

prisons might be entirely worthwhile.

But such an increase of the prison population, though likely in the short run, is unlikely in the long run. If the punishment of offenders does deter others,[6] more severe and certain punishment would keep a greater proportion of offenders behind bars, but it also would reduce the total number of offenses by deterring prospective offenders. Although the *proportion* of offenders behind bars would increase, their total number would decrease as the number of offenses decreases.

Whether or not the absence of parole actually increases the severity of punishment depends on the legislature and on the courts, which can increase or decrease the length of sentences. And that is where the decision belongs. Parole boards have no special competence which legislatures or courts lack, to, in effect, determine sentences, nor can they learn any relevant facts not available to the sentencing courts.

The Importance of Doing Justice

Legislators and judges and, not least, parole boards often appear to believe that offenders are to be confined not for the crimes they committed, but for the crimes they may or may not commit. Thus, they should be confined or released not on the basis of past behavior, including crime, but on the basis of predicted future behavior. The actual length of the sentence served is made to depend on whether criminal or law abiding behavior is predicted.

As indicated, there is no basis for making such predictions other than the kind of law abiding or law breaking behavior of which courts are made aware. Hence, there is no reason for post-sentence modification or determination of length of time to be served in prison by parole boards. But the idea of determining sentences on the basis of future behavior is anyway contrary to our principles of justice, and to our principles of social defense.

Clearly, if we are interested in future rather than past behavior, our elaborate process of determining guilt — which is always and only incurred by past behavior — would be unnecessary. (Unless guilt itself predicts future behavior. In which

6. There is ample evidence, experimental and statistical, for this effect. Some of it is presented in my *Punishing Criminals: Concerning a Very Old and Painful Question* (New York: Basic Books, 1975).

case, parole boards once more would be superfluous, since the courts would be able to predict future behavior.) If, however, past guilt is thought necessary and sufficient to determine sentences regardless of future behavior, then *subsequent* determination, or change, of the time to be served is unnecessary. And surely guilt, past behavior, should be decisive. Criminal statutes threaten with punishment those who violate them. They do not threaten punishment to those who are believed likely to break the law in the future. However, unless carried out against the guilty, the threats of the law become incredible and ineffective. And the performance of anti-social acts is encouraged as the threat that was to deter them loses its credibility.

Justice consists in meting out the punishments threatened by law and deserved by guilt to those – and only to those – who voluntarily have run the risk of suffering them, regardless of predictions, or guesses, about their future behavior. By doing justice we also hope to deter others from offenses, as they see that offenders suffer the punishments threatened. Not all will be deterred, but it seems obvious that the deterrent effectiveness of punishment depends on the certainty and severity of punishment that can be expected by law-breakers – on the expected cost of law-breaking compared to the benefits expected by the law-breaker.[7]

Before turning to the effectiveness of punishment, let me illustrate briefly why guilt, and guilt alone, must determine the actual sentence served. Suppose a man kills his wife. Quite often such a man need not be incapacitated – he is unlikely to kill anyone else. Further, the crime itself may have fully rehabilitated him: he wanted to kill this particular woman, his wife, and having done so he may be a good citizen in the future, he may even remarry, and if he does, live ever after happily with his new wife.

We punish such a person for the sake of justice – to carry out the threat of the law, to inflict the punishment deserved – and of deterrence. We feel, in Tolstoy's words, that the seeds of every crime are in everyone of us. Hence, other husbands need to be restrained from doing what may tempt them by seeing

7. The idea that certainty alone matters, or matters more than severity, is true under some conditions (including mostly the present ones) and not others. E.g., certainty of mild punishment invites crime. There is an optimum combination of certainty and severity, and neither variable is in principle more important than the other, since deterrence is the product of these joint causes.

what happens to one who has done it. This way we keep most wives surviving. Or, for that matter, most husbands. Obviously, neither rehabilitation nor incapacitation is needed or relevant — anymore than they were needed for the "Watergate" criminals, for most white collar criminals or for most "crimes of passion." But justice and deterrence are indispensable.

The threat of punishment obviously has not deterred those who are guilty of crimes. Some, to be sure, are altogether undeterrable. Others are so committed to a criminal career that they are quite unlikely to be deterred or to be rehabilitated by any reasonable punishment. (This is often the case for minor professional criminals, e.g., pickpockets.) But the threat continues to deter most of us. Those who cannot be deterred, if guilty of crimes, must be incapacitated at least temporarily, to prevent them from committing the additional crimes they would commit if free and to deter others from entering a criminal career.

I do not advocate punishment of offenders for what they have yet to do. They can only be punished for their past crimes. I do suggest, however, that the law mandate courts to impose a much more severe sentence on second offenders than on first offenders who commit serious crimes. Anyone who has not learned from his first conviction and punishment is well on his way to a criminal career; whatever mitigates a first offense does not mitigate the second. Anyone who commits a third offense must be considered a career criminal. He should, if convicted, be incapacitated for a lengthy period if his crime was violent, or if, like burglary, it involves physical exertion. He should not be released before he reaches the age of forty. At that age resumption of his criminal career is unlikely. Few people commit violent crimes after 35. Age rehabilitates. Thus, contrary to present practice, youthfulness generally requires longer, while age permits shorter, confinement: the young career criminals are most likely to commit additional crimes, and least likely to be rehabilitated. Leniency toward young career criminals is based on the sentimental but demonstrably wrong premise that they are more likely to reform than older ones. The sentiment is generous but unrealistic. And the result is not generous as far as the victims of crime are concerned. While mandatory sentences should be determined by the gravity of the crime as defined by the law and by the courts, upon a third conviction

the offender, particularly the violent offender, should not be released before reaching the age of forty. The law should take the habitual aspect of the criminal career into consideration.[8]

It is well known that career criminals commit a disproportionate number of all crimes. Nearly 50 percent of all violent crimes are committed by career criminals, many released on parole. The abolition of parole and the appropriate mandatory flat sentencing of career criminals alone are likely to reduce the crime rate by half, merely by incapacitation, quite apart from deterrent effects. Mandatory sentencing and the abolition of parole for *all* offenders, by incapacitation and by deterrence, would decrease the crime rate much further. Thus, our government could fulfill the promise of the Declaration of Independence: to secure the life, the liberties and the pursuit of happiness of our citizens. It is "to secure these rights" that "governments are instituted among men," according to the framers. If one looks at the present practices of the criminal justice system, including the correctional establishment, one may think that it was to secure the happiness of law-breakers that our government was instituted. Yet, as Lincoln warned, our citizens "become tired and disgusted with a government which offers them no protection." I think we have reached that point.

8. Society obviously needs less protection from one who is at the end of his criminal career. Therefore, we can do with fewer years of incapacitation. Moreover, it is likely that a year in prison at forty is subjectively a greater loss than a year in prison at twenty.

U.S. Strategy in the Decade Ahead

EDITOR'S NOTE: *Professor James E. Dornan, Jr., Chairman of the Department of Politics in The Catholic University of America and consultant to the Stanford Research Institute, has edited an important anthology on the future direction of American foreign policy.* **U.S. Strategy in the Decade Ahead** *includes an introduction by Frank R. Barnett, the president of the National Strategy Information Center, and will be published this Fall by Crane, Russak and Company in New York in cooperation with the NSIC. Selected brief previews of the chapters analyzing our policy toward various regions of the world are published here with permission.*

The Future of Soviet-American Relations

ROBERT CONQUEST

By far the most striking, though also the most neglected, fact about the current conduct of international relations between the Soviet bloc and the West is to be found in the conditions under which they are pursued – the "rules of the game."

These are, in effect, to be summed up by saying that in every field the West is allowed defensive action only, while the Russians are permitted both offense and defense. And it is, of course, particularly difficult to win a campaign of any sort, in any sense, if the counter-offensive is forbidden you from the start and you have made this clear to your opponents.

What we find, wherever we turn, is that the Russians are permitted, without rebuff or rebuttal, speech, maneuver, and action of types the West has denied itself. Taken together, they give the Kremlin a built-in advantage which might prove decisive in the critical years ahead, and which is quite unnecessary. There exists, in fact, what amounts to an unspoken agreement that the West shall not exploit the Soviet weaknesses, while the U.S.S.R. remains free to exploit those of the West.

Can one imagine the U.S.A., these days, even thinking in similar terms of a potential operation to neutralize a member of the Warsaw Pact? It is correct for the Soviet Union to impose orthodoxy by armed forces onto an errant Communist state,

as is established in Czechoslovakia; but the idea of an American, or a NATO intervention against an Italy which had changed sides is unthinkable. It is possible for American spokesmen to say it is all right if the Italian Communists enter the government. Can we imagine similar Soviet permission to even a Social Democratic membership of the Polish Government?

For one important rule, needless to say, is that while the Communists may encourage those in the West wishing to change our political and economic system, we on our side must not encourage, or even excuse, the leaders of anti-totalitarian thought in or from the U.S.S.R. so that (an extreme and isolated case perhaps, but even one such case is too many) President Ford would not see Solzhenitsyn.

More generally, one notes that in return for worthless assurances we are required to provide modern technology to our opponent, in case its military effort should fall behind ours, and, when, it has overstrained its economy by inordinate arms investment, and has no food, to provide the necessary rations to see that no beating of rockets into ploughshares shall be necessary. The rule governing the exchange of benefits is that the West must provide tangibles, while the U.S.S.R. is only expected to make promises and gestures. To take a minor example, the arrangements for the exchange of technical information between the U.S.S.R. and the U.S.A. resulted in the sending to Russia of a large body of useful papers, recompensed by material which came much later, was of considerably lesser bulk, and whose substantive content was negligible. We have even reached the state in which the American intelligence services notoriously dispose of factual material on the U.S.S.R. highly damaging to its reputation but which they are not allowed to release on "detente" grounds, while, of course, any American secret material tending to harm the reputation of the United States is freely extracted from them and published, to the delectation of American Liberals and Soviet Communists alike.

The "rules of the game" include nowadays the curious convention, in the United Nations and international forums in general, by which the Communist countries, and the more militant representatives of the Third World, attack the Western record, while representatives of the West do not answer back. This is an extraordinary change since the early fifties, when

Labour and Conservative, Democratic and Republican delegates alike freely counter-attacked the Soviet-Union's hypocritical "anti-imperialism," (and exposed internal terrors like the forced labor camp system, and so on). It is clear that current passive tactics-interrupted only by the brief United Nations career of Moynihan – are misconceived in several ways.

What is worse is that under the new "rules" Western democracies have let the position go by default. They fail, in the international forums, in public speeches at home, and also in their direct relations with the Third World, forthrightly to maintain the superiority of the Western positions, compared with the fashionable "one-party democracies" beloved by the U.S.S.R. and by local gunmen.

To take a typical case, during Moynihan's brief foray at the UN, the British representative, Mr. Ivor Richard, went out of his way to insult our ally, as he had never insulted our enemies, with snide talk of cowboy tactics. But Richard not only made no attempt to defend Western libertarian principles, he even described them as merely a "particular brand of political theology" – a real, total and typical surrender of our position. With inane piety he defended the General Assembly as a "democratic institution" – whereas, of course, it is (in Solzhenitsyn's formulation) not a United Nations at all in any real sense, but merely a United Governments, the great majority elected by no one. A number of the representatives of former colonial territories have no legitimacy except their claim to have led the anti-imperialist struggle. In fact, as Conor Cruise O'Brien has pointed out (in *The New York Review of Books*), in many cases – and in particular when it comes to the most vociferous "anti-imperialists" – the struggle which brought the successor regimes to power was not to get rid of the British, who were leaving anyway, but to seize control of the new State from a variety of indigenous rivals. In this sphere, as elsewhere, sometimes by default, but sometimes in active collaboration, the West has accepted the terminology of its enemies. "National liberation" is freely used to describe movements whose aim is to impose their own gang rule.

This affects policy in three important fields. In the first place, it gives the Russians the argument, and provides them – to their immense advantage – with a world reputation they in no way deserve. Second, it encourages in the Third World

all those trends of political thought and action most hostile to the West. And in the Western countries themselves, it encourages or appeases those circles most warmly devoted to hostility to their own culture, thus undermining the political will of the democracies.

Thus in every area in which the Russians are sponsoring anti-Western movements – in every sphere in which the West and the Kremlin are in contact – the West has waived its case. Strategically, the currently accepted rules of the game grant, or tend to grant, Soviet expansionism, while accepting that no part of the Soviet empire can be detached. Politically, they encourage everywhere, and in every way, attitudes hostile to the democratic culture.

Only, it seems, by a conscious reversal of present attitudes can the situation be restored. This would involve governments in the West which are ready, and known to be ready, to take action in Angola-type crises. It would involve a refusal to let the Russians carry out their unilateral military pressures. And, perhaps more important yet, it would involve the insistence, in all public international forums, on the superiority of the Western political process; the carrying of the argument to the Russians, denunciation of their crimes and weaknesses; and a warning to the Third World that hostility to the West will not be rewarded – at least not by the West itself.

U.S. and Soviet Policies in the Middle East

STEPHEN P. GIBERT

Soviet actions in the Middle East just prior to, during, and immediately after the 1973 Arab-Israeli War were wholly inconsistent with either the spirit or letter of the detente agreements of 1972 and 1973. More critical is the fact, however, that even if their conceptions of detente were identical, the interests of the two superpowers in the Middle East are sufficiently divergent as to make continued tension and possibly a renewal of outright conflict in the area likely. More important examples of asymmetries in goals and divergences of interests are:

1) The United States, and even much more so its European and Japanese allies, need the oil of the Middle East and do not want to disrupt the oil supplies. The Soviet

government, while it finds the oil useful, can view with equanimity disruptions in the supply of oil, at least in the near future.

2) The Soviet Union and before it Czarist Russia has long regarded the Middle East and the Indian Ocean as areas of critical importance to its security. The United States, on the other hand, has not had a clear and consistent policy regarding the Middle East, and has only since the crisis of the 1973 war taken an active and leading role in Middle East affairs.

3) The United States has been more closely associated in a diplomatic and military sense with the non-Arab regimes in the Middle East, Israel and Iran. The U.S.S.R. has been a supporter of the Arabs, anti-Israeli and, to a lesser extent, anti-Iranian. Currently the United States is attempting to be "even-handed," whereas the Soviet Union is not.

4) The Soviets have associated themselves with the "radical" Arabs of the Gulf, in opposition to conservative regimes such as that in Saudi Arabia. The United States supports the existing governments and opposes their replacement by radical regimes.

5) The Soviet Union regards the Persian Gulf-Indian Ocean area as an arena essential to the general Soviet policy of containing China; the United States has no such aim.

6) The United States would benefit from a "just" and peaceful resolution of the Arab-Israeli conflict while the Soviets wish to exploit its continuation.

7) Disruption in the Middle East and conflicts in the area, such as that between Greece and Turkey over Cyprus, will weaken the southern flank of NATO and hence adversely affect the U.S. alliance system. This problem does not exist for the U.S.S.R.

American and Russian interests are in sharp conflict in the Middle East; to expect these differences to be eliminated through Soviet-American detente is wholly unrealistic. Superpower rivalry will continue in the Middle East, Persian Gulf and Indian Ocean areas, restrained primarily by the mutual interest both sides have in preventing this conflict of interest from escalating into a nuclear confrontation. This situation acts to inhibit direct military intervention by either the U.S.S.R. or the

United States in the Middle East. Given the intraregional problems, however, it will remain very difficult for the superpowers to realize even the negative goal of not allowing events in the Middle East to get completely out of control. Furthermore, given the tremendous transfer of sophisticated weapons into the area, events could develop so rapidly that effective superpower intervention would not be feasible.

After the October 1973 war, the United States gained an important diplomatic victory in that the Arabs realized only the United States could mediate the conflict with Israel. It would be a mistake, however, to believe that this American advantage is more than temporary. Also, the favorable position achieved by the United States is more than offset by the demonstration of the inability of the Western Alliance members to act in concert on Middle East policy and their vulnerability to the oil weapon.

The conflict of strategies between the superpowers means that long and arduous negotiations lie ahead. The threat of force will cast an ominous and omnipresent shadow over these negotiations; the outcome will affect not only the Middle East but the entire global balance of power and the future of the Western alliance system.

Almost four years have passed since the Yom Kippur War. Once more American policy has become complacent with the *status quo*, lulled into a false sense of security by a temporary easing of Arab-Israeli tension, a remarkably friendly gesture by the Saudi Arabian oil superpower, and by the continuing belief in the chimera of detente. The new administration in Washington should put these illusions to rest and accord the highest priority to an equitable Middle Eastern settlement.

The United States and Western Europe

COLIN S. GRAY

The geopolitics of European security pose fundamental problems both for the near term and the long term. For the near term, there is the persisting problem that the United States, the major security producer for the West, is geographically far removed from the area in principal contention. Because the United States is a power in Europe, as opposed to being

a European power, the strength of the American commitment to the physical security of Europeans is always subject to question. This would matter less were either the locally deployed (and readily mobilizable) NATO force structure a very robust one, or were the nuclear-weapon resources of the alliance divided more evenly between American and NATO-European provision. It is, of course, true to claim that the United States has vital interests in Europe (and *vital* interests usually are defined as interests worth fighting for), but those interests are (A) notably less vital than the interests of Western Europeans; (B) probably perceived by Soviet officials as being less vital than the interests of the Soviet Union as a regional power; (C) clearly less vital than would be the case were American territory directly involved.

Geography impinges upon NATO's strategic problems in almost all respects. For examples: NATO lacks depth for defensive maneuver (even if France is fully engaged on NATO's part); NATO's seaborne and overland lines of communication (LOC) would be increasingly restricted as a Warsaw Pact offensive progressively uncovered the West German North Sea ports, and then the Dutch and Belgian ports; and – overall – because NATO is a maritime alliance, a strategy that requires an enemy to believe in deliberate and controlled nuclear escalation by the United States needs to find some postural/doctrinal compensation for the psychological distance that separates Americans from Western Europe.

No matter how orderly a process of American devolution of security tasks upon a new Western European entity might be, Americans (and Europeans) would have to consider the possible costs of the substantial Europeanization of Europe's security structure in terms of Soviet perceptions, and the likely Soviet threshold of tolerance of political events and trends on the borders of its empire. Every system of "order" requires guardians. While the Soviet Union would undoubtedly view with favor a Western Europe that comprised a loose alliance of states, shorn of any very credible American security connection, it is difficult to imagine Soviet officials waxing enthusiastic over, or even being very tolerant of, West German guardianship in NATO-Europe – with West Germany serving substantially and functionally as the successor state to the United States.

For reasons well beyond the pale of military analysis, deterrence may hold firm in Europe. However, the new Administration should be made aware of three closely related facts that bear very directly upon the strategic environment of American-West European relations.

(1) The Soviet Union has the capability to wage a conventional campaign in Europe, with excellent chances of success.

(2) The Soviet Union has a growing superiority in theater-nuclear strike systems (NATO has no answer to the new MIRVed SS-X-20).

(3) The Soviet Union is striving to attain a politically useful measure of strategic superiority. As of 1976-77, it seems more likely than not that for much of the 1980s the Soviet Union will enjoy a very substantial advantage in silo-killing potential – while Soviet domestic war-survival programs (admittedly of uncertain effectiveness) may give Soviet leaders a confidence in an acute crisis unmatched on the part of the United States.

In the event, through bad management and/or bad luck, the Soviet advantages listed above may not translate into victory. However, those advantages are not theoretical – whatever the political intention of Soviet leaders may be, the strategic situation of NATO is deteriorating in all major, measurable, respects.

Africa and U.S. Foreign Policy

ANTHONY HARRIGAN

Those charged with the formulation and management of American foreign policy have the responsibility for determining how relations with the countries on the African continent have a bearing on the safety and prosperity of the American people and how relations should be conducted to assure the safeguarding of U.S. national interests. Ill-defined policy objectives in Southeast Asia in the 1960s involved the United States in an immensely costly and futile war. The new administration has an obligation to prevent a repetition of similar errors in Africa. Moreover, it seems abundantly clear that the U.S. public is in no mood to support interventionist activities in Africa: either

military blocking actions against Soviet involvement, or economic or political actions that amount to interference in the internal affairs of countries in Southern Africa.

In general, I believe that the American people are tired of foreign adventures and grandiose gestures aimed at various regions of the world. They will be concerned, however, if they find that a changed orientation in foreign policy results in American industry being deprived of strategic materials vital to employment and the maintenance of prosperity.

The conditions in many African countries underline the absurdity of any new American policy towards Africa that is based on a crusade for racial justice in Southern Africa while ignoring injustices to racial, religious and tribal groups elsewhere on the continent. It is hard to believe that the American people would support a policy that involved such a narrow view.

Furthermore, American policy towards Africa should be consistent with American policy towards other world regions. In no other part of the world is the United States insisting upon specific and wholesale internal changes in government and society.

Any serious consideration of America's foreign policy objectives in Africa must focus on the special role that the Republic of South Africa plays in meeting the raw materials needs of the United States, its NATO allies and Japan.

South Africa has been called the Saudi Arabia of the 1980's, due to the extent of its mineral reserves and their importance for the industrialized nations of the world. South Africa ranks with the United States, Canada, and the Soviet Union as one of the four major suppliers of minerals to the entire world. One statistic suggests the country's importance: South Africa is the major supplier of seven out of the 20 minerals of which the United States imports more than 50 percent of its requirements. Therefore, it would be a severe setback for the United States if an anti-American regime were to seize power in South Africa. A pro-Soviet regime in Pretoria would give the Soviet Union control of 90 percent of the platinum, 75 percent of the manganese, 80 percent of the gold, 60 to 80 percent of the diamonds, 50 percent of the chrome and 50 percent of the copper production of the world. Dr. Peter Janke of the Institute for the Study of Conflict has pointed out that by the mid-1980's South Africa will replace Canada as the non-communist

world's second largest producer of uranium.

To sum up, it really makes very little sense to talk about "African" problems, though it is now an ingrained habit. We are talking about approximately 30 countries in sub-Saharan Africa alone. Many of these countries are insignificant – The Gambia, Sierra Leone, Equatorial Guinea, Upper Volta, and Malawi. On the other hand, there are a handful of truly important states – important because of their size, natural wealth, and strategic location. One of these is South Africa, which covers just four percent of the area of Africa and has only six per cent of its people, but which accounts for more than a quarter of the Gross National Product of the African continent. Another key African country is Nigeria, a major supplier of crude oil to the West. With a population of 63 million, Nigeria is Africa's most populous country. It also is one of Africa's wealthiest nations, with a GNP of $25 billion. U.S. business has at least $1 billion invested in Nigeria, as compared to $1.5 billion in South Africa.

The U.S. can and should legitimately narrow its concern, at least its economic and strategic concern, to a handful of sub-Saharan African countries, chiefly Nigeria, Zaire, and South Africa.

What China? What Policy?

FRANZ MICHAEL

There are the strong arguments on both sides of the speculation about the possibiliy of Sino-Soviet reconciliation. Those who hold that the gap is unbridgeable and that at the very most some civility in diplomatic relations between the two Communist powers may return, argue in terms of historical incompatibility, of national interests and pride, and of historical claims and problems along the Sino-Soviet border. The question is, how valid are most of these arguments in the world of 20th Century communism?

If one seriously considers the possibility of a Sino-Soviet realignment, the question has to be answered, on what basis the conflict could be overcome? On the positive side of Moscow-Peking relations there remains a common doctrinal basis and commitment to communist strategy. Both sides

assert their belief in, and support of, world revolution, revolutionary wars, and wars of national liberation. Though, in line with the conflict, Moscow and Peking accused each other of betraying these common revolutionary goals, such accusations could be easily discontinued; there is no disagreement on the basic final goal of a communist world order. The conflict may have started largely as a move by Chairman Mao to counter the Soviet de-Stalinization policy, moving on from there to challenge the Soviet leadership of the socialist camp and to follow his vision of perpetual revolution; with the death of Mao, these policies could be quietly abandoned, indeed the change can already be discerned. But there are by now other obstacles in the way of Sino-Soviet reconciliation resulting from competitive policies that have hardened and have created entrenched positions on both sides, hurdles that might be more difficult to remove.

If the United States has "de-recognized" the National Government on Taiwan, and invalidated the security treaty, a Taiwan venture by Peking with Moscow backing could become a rationale for a new Sino-Soviet cooperation. It is in this light that the United States government should weigh the decision on the conditions for normalization of U.S. relations with Peking.

The United States' role as power broker has not increased the confidence of friends and allies. The United States has lost a great deal of credibility and trust because of weakness and retreat. We have to assert most emphatically that we are loyal to our commitments and alliances and that behind these commitments and alliances are principles for which we stand and which are stronger than the doctrinal games of the Marxist-Leninist world. United States relations with both Peking and Taiwan will be a test case of this policy and United States credibility and willingness to stand by commitments.

The Western Hemisphere: Home Base

JOHN J. TIERNEY, JR.

The United States has reached the crossroads in its policies with the other states of the Western Hemisphere. The hegemony which held true throughout most of this century is currently in

a period of transition. What it will become will depend largely upon the nature of Washington's response to the new political and economic movements of the region. The United States could attempt to maintain its established domination at all costs, but this effort is almost certainly bound to antagonize the vast majority of the more important states and, in the long run, would isolate America even further from the major trends of hemispheric politics. At the other extreme, the U.S. could disassociate itself from the area, refuse to become involved with "reactionary" governments, denounce anti-American nationalism and expropriations and withdraw into a continental shell. In effect, this would leave the rest of Latin America on its own, subject to the political or military domination of the most important states and, in the process, subject also to possible interventions from the Communist bloc.

In any event, it is impossible for the U.S. to treat the hemisphere as it always has. Nor can Washington realistically expect cooperation from the states of the region if U.S. policy continues its neglect of their desire to be respected as equals, or preaches to them as though they were children.

The United States has a national interest in the Western Hemisphere and that interest, fundamentally, is to supervise the transition from a system dominated by Washington to one in which the U.S. acts as *primus inter pares* in a multi-polar regional system. Beneath this fundamental interest are others supportive of it: a hemisphere free from outside military intervention, a system in which the Communist states can make no further political or economic inroads, an area which promotes peaceful change among the leading states, a region in which nations can move toward economic modernization without internal strife and violent revolution. In short, the United States must support a peaceful and progressive regional political system with itself still active at the helm but without the intrusive or dominant assumptions of earlier times.

The New Meaning of Soviet Military Power

A NEW STRATEGY FOR THE WEST: NATO AFTER DETENTE. *By Daniel O. Graham* with a Foreword by Senator Jake Garn. (The Heritage Foundation, Washington, D.C., 1977, 72 pp., paper, $3.00.)

DEFENDING AMERICA: TOWARD A NEW ROLE IN THE POST DETENTE WORLD. Introduction by James R. Schlesinger. Robert Conquest, *et al.* (Institute for Contemporary Studies and Basic Books, New York, 1977, 255 pp., $13.95.)

ARMS, MEN AND MILITARY BUDGETS: ISSUES FOR FISCAL YEAR 1978. *Edited by Francis P. Hoeber and William Schneider, Jr.* with a Foreword by Eugene V. Rostow. (Crane, Russak and Company, New York, 1977, 350 pp., paper, $5.95.)

International relations has a perverse feature which sets it apart from any other aspect of human activity: agreements made under duress are considered to be internationally valid and binding. Stated in this stark form, one wonders how economics can retain claim to the mantle of the "dismal science." Nevertheless one can scarcely underestimate the role of force in international relations, however genteel and diplomatic its assertion. History suggests that policy-makers in Western nations unsuited as they are to low-intensity, long-haul political conflict, are even more reluctant to come to grips with the reality of the growing military potential of a political adversary. The well-documented history of the German and Japanese military build-up in the 1930s was no secret in Western capitals at the time, but the belief in diplomatic ingenuity prevailed against the weight of evidence to the contrary. Similar warnings about Soviet ambitions after the Second World War went unheeded until the outbreak of the Korean War in 1950.

Although the drawing of historical parallels is a mode of analysis which must be employed with the greatest caution, the evolution of Soviet military power in the past decade bears scrutiny because of its parallels with the rise of military-dominated industrial states in this century. Tibor Szamuely's informed work, *The Russian Tradition,* has described the historical rationale for Russia's militaristic and autocratic character; thus one cannot characterize the contemporary Soviet state as an historical anomaly for its single-minded obsession with military

power. Yet, the scope of the Soviet investment in military power since the mid-1960s has been quite extraordinary by any standard as the table suggests. Every measure of military power which pertains to physical quantities or operational capability has been lavishly improved.

Table

CHANGES IN MAJOR AGGREGATES OF SOVIET FORCES*

	1966	*1976*
Intercontinental ballistic missiles (ICBM)	300	1,600
Submarine-launched ballistic missiles (SLBM)	125	784
Divisions	148	170
Divisions on Central Front	22	31
Division-equivalents, 1970 organization, Central Front	22	38
Motorized Rifle Division (MRD) strength (troops)	10,500	11,500
Tank division strength (troops)	8,500	9,000
Tanks/MRD	190	266
Anti-aircraft artillery (AAA) pieces/division	30	70
Naval surface combatants	190	220
Tactical aircraft (including ground-attack)	4,100	5,600
Ground-attack aircraft	800	1,700
Artillery tubes (excluding AAA)	12,000	19,000
Tanks	32,000	45,000
Helicopters	400	3,800
Military personnel	4,000,000	4,800,000
Armored personnel carriers	35,000	55,000

Sources: General George S. Brown, *Statement to the Congress on the Defense Posture of the United States for FY78*, January 20, 1977; International Institute for Strategic Studies, *The Military Balance* (London: IISS, 1964-1965, 1965-1966, and 1976-1977).

* MRD = motorized rifle division; AAA = antiaircraft artillery.

With the exception of the development of several new series of strategic nuclear weapons since the mid-1960s, most of the Soviet investment particularly in general purpose forces has passed without notice owing to the evolutionary character of

change in large military forces.

The diplomatic artifice which has dulled American concern with the growth of Soviet military power may be summarized in the policy of "detente," the notion of seeking to draw the Soviet Union (and allied states) into a series of bilateral arrangements which would provide them with so significant a "stake" in international harmony, that they would have more to lose than to gain by the exploitation of whatever opportunities their military power may provide. So powerful has been the diplomatic impact of the aggregate effect of fifteen years of Soviet investment in military power, that many who were hopeful that diplomacy could encourage restraint on the Soviet's part have now become disenchanted.

The three volumes reviewed here record different dimensions of this disenchantment reflecting the various institutional perspectives of the authors involved.

The least technical volume of the three, Graham's *A New Strategy for the West*, develops the theme of the contrast in national purpose when there is a well defined strategy to direct the formulation of foreign and defense policy as opposed to circumstances where no such policy exists. The policy of containment, promulgated in response to the Soviet takeover of Eastern Europe and their sponsorship of the Korean War made it possible to develop a set of detailed and appropriate policies to support that strategy. The policy of detente, he argues, lacks the clear policy mandate of its predecessor "containment," and thus appropriate foreign and defense policies cannot be drawn up and executed. Graham urges the reformulation of Western strategy along the lines of an updated version of containment around the central alliance of the Western democracies, the North Atlantic Treaty Organization. Lest this sound like yet another plea for more tanks on the Central Front, I should hasten to add that the author has a broad view of the NATO alliance. Citing the often overlooked property of the alliance, its geographic scope (from Eastern Turkey to Guam) he argues that the NATO alliance can be the core of an integrated strategy involving politics and economics as well as the more traditional military dimension. In his summary, Graham observes that "Soviet strategy is global; NATO's counterstrategy must be global as well." The author's analysis of the consequences of the absence of a clearly

defined strategy for current policy formulation is perceptive. He cites the broad scope of Western paralysis in almost every important geographic area where the United States or the NATO powers have been challenged by direct or indirect threats of Soviet military power from Angola to Rhodesia to arms control negotiations.

An explicit effort to puncture the *cliches* which are so often called upon to support the view that detente with the Soviet Union is a compelling necessity has been assembled by the San Francisco based foundation, the Institute for Contemporary Studies. Written by a group of some of the best known academic critics of detente with an introduction by the most celebrated anti-detente official, former Defense Secretary James R. Schlesinger, the volume systematically attacks the academic respectability of the detente-supporting assumptions. Albert Wohlstetter of the University of Chicago lays to rest the notion that detente is essential because an arms race of uncontrolled dimensions is the only alternative. While interring some of his academic adversaries with their own ill chosen words in the process, Wohlstetter shows how the United States has, contrary to comfortable belief, been reducing its strategic nuclear forces while the Soviets have been strengthening beyond anything required for deterrence. Enroute to these conclusions, Wohlstetter also shows how the intelligence services, particularly the CIA have *underestimated* future Soviet strategic nuclear forces systematically for fifteen years. The optimistic belief held in some quarters that detente would herald a new day for human rights in the Soviet Union is turned to ashes by Robert Conquest. No important dimension of Soviet-American relations is left untouched in this important work; indeed this work is a first-rate catalog of why detente did not succeed as a national policy objective.

The anthology also includes articles by Theodore Draper on "Appeasement and Detente," W. Scott Thompson on "The Projection of Soviet Power," Walter Z. Laqueur on "America and Western European Communism," Eugene V. Rostow on "The Soviet Threat to Europe through the Middle East," Gregory Grossman on "The Economics of Detente and American Foreign Policy," Charles Burton Marshall on "National Security: Thoughts on the Intangibles," Paul H. Nitze on "Nuclear Strategy: Detente and American Survival," Edward

N. Luttwak on "European Insecurity and American Policy," Norman Polmar on "The U.S.-Soviet Naval Balance," and Leonard Schapiro on "The Effects of Detente on the Quality of Life in the Soviet Union."

In his epilogue to *Defending America*, Paul Seabury stresses a crucial point for the stability of future Soviet-American relations: military power as a means of supporting American diplomacy has been permitted to atrophy during the course of our pursuit of detente. Although Seabury does not have a programmatic set of recommendations to offer, his message, and that of the book as a whole comes through very clearly: adequate military power to support American foreign policy objectives is a prerequisite to the successful implementation of any foreign policy. *Defending America* qualifies as the finest one-volume critique of detente yet available.

The most sharply focused of the three volumes reviewed here is the work sponsored by the National Strategy Information Center (New York), *Arms, Men, and Military Budgets: Issues for Fiscal Year 1978*. The volume is the second in an annual series on the U.S. defense budget. The book, edited by F. P. Hoeber and William Schneider, Jr. was published last year, and reviewed issues for consideration with the Fiscal Year 1977 defense budget. The volume reviewed here deals with FY 78. The book examines the major components of the defense budget including such areas as strategic forces, intelligence, command and control, naval forces, etc., each by a specialist in the constituent fields.

Arms, Men, and Military Budgets is written in a scholarly and non-polemical manner, but the cumulative impact of the book on the reader is deeply unsettling. The two volumes previously reviewed have sketched the growth of Soviet military power; *Arms, Men, and Military Budgets* documents this growth in chilling detail. It does so in a manner significantly different from a somewhat similar effort by the Brookings Institution (*Setting National Priorities*) to review the U.S. government's budget or efforts to catalog the accumulation of weapons done by the International Institute for Strategic Studies (*The Military Balance*). Rather than simply comparing inventories of weapons, or evaluating the effects of shifts in expenditure from one year to the next, it assembles the disparate threads

of Soviet military doctrine (the directives under which Soviet military power will be employed in a conflict), their inventories of equipment, and the manner in which Soviet military forces are deployed, and compares with them with the changes in the American defense posture. Besides chapters written by the editors, this anthology includes a Preface by Frank R. Barnett of the National Strategy Information Center and chapters by David B. Kassing on the Navy and Marine Corps, by Stephen J. Lukasik on military research, by Steven L. Canby on military manpower, by W.T. Lee on intelligence and by Donald G. Brennan on command and control.

A reading of both the FY 78 volume, and the previous year's work (*Arms, Men, and Military Budgets: Issues for Fiscal Year 1977*) leaves no doubt that the U.S. has disinvested in defense drastically; the outcome of a military conflict in the next decade with the Soviet Union must be presumed to be in doubt in the absence of an unanticipated mitigation of these trends.

The work is an important contribution to the professional literature on defense policy, but because of its timeliness and clarity, it can be usefully read by individuals without special training in defense-related fields.

James A. McClure

Why Tories and Socialists Are Equally Guilty

THE FUTURE THAT DOESN'T WORK: Social Democracy's Failures in Britain. *Edited by R. Emmett Tyrrell, Jr.* (Doubleday, New York, 1977. 208 pp., $6.95.)

It is not at all clear whether we in Britain should speak of the fall of the left or the rise of the unleft. Certainly, however, a change of outlook has taken place.

We should be clear at the outset that the very term "Social Democracy," castigated in the title of Mr. R. Emmett Tyrrel's lively symposium, is an impossibility. At the moment it is widely used in Britain to differentiate all supporters of the Labour Party who do not carry a torch for Marx (and/or Stalin) from those who do. Yet the term has been used (especially on the continent) to describe some of the earliest and most unequivocally Marxist Socialist parties. Today however the same label has so general an application that it can be used as a mantle, perhaps a tent, offering cover to Mr. Edward Heath's form of Conservatism.

What the contributors to this book are saying in what reads at times like a memorial service held in optimistic anticipation, is that the politics of intrusion, management, non-optional equality, tiller-touching, money-printing, and collectivity are not dead but for the first time in thirty years humbled.

This is certainly the case intellectually and as Colin Welch (who carries perhaps the most elegant machete in Fleet Street) points out, in a chapter on the rise, suspended animation and gradual collapse of the Fabian doctrine, ideas usually die long before politicians abandon them.

There is, however, nothing fundamentally unreasonable to British ears in a philosophy which said "Let us dispense with further state ownership and concentrate upon redistribution, taxation, even a measure of state investment." Wrong yes, but not unreasonable. The tragedy of British Social Democracy has lain in the fact that to operate in a civilized and useful manner it requires a productive eonomy, and it does not have one. Social Democracy can utilize success but it has not been able to generate it.

In my own view, there is a real risk that an absolute belief in the free market can become as pleasing a form of political

quietism as the bland assurance of Mr. Crosland that taxation and planning would set everything right.

Having made that caveat, and having begged the new Conservative ascendancy not to follow their opponents in hubristic certainty, one welcomes this book as a Mid-Atlantic guide to the central economic and social failures of our time.

A more distinguished group of American and British social critics would be difficult to assemble; the high quality of the essays is attested to by the fact that they were originally published in quarterly and monthly journals of the first rank, including *Encounter, The Public Interest* and *The Alternative.* A pre-eminent leader of the neo-conservative intellectual movement in the U.S., Irving Kristol, performs the rites for socialism in a chapter entitled "Obituary for an Idea." Crossing back over the Atlantic, we find Her Majesty's new Ambassador to the U.S., Mr. Peter Jay, joining with the author of *The Socialist Myth*, Mr. Peregrine Worsthorne, to analyze in different articles exactly how the new arrogance of the trade union leaders has harmed their country. Economic journalist Mr. Samuel Brittan (who has recently published a devastating critique of price and wage controls, *The Delusion of Incomes Policy*) discusses the natural pressures in a democracy for wrong economic decisions. Returning to the Americans, Mr. Harry Schwartz, of the editorial board of *The New York Times*, tells us about the increasing problems of the National Health Service while a former research assistant to Professor Daniel Patrick Moynihan, Mr. Leslie Lenkowsky, explains to us the difficult choices inherent in a welfare state.

Some skeptics might say that the British authors sometimes sound like a small band of dissidents smuggling their *samizdat* out of the country. On the other hand, a British observer can take some consolation in the fact that they are admirably paired with insightful critics of U.S. policy as well.

Professor James Q. Wilson of Harvard, in a perfectly admirable statement of the known facts and asserted doctrines relating to crime and sentencing policy, observes parallel follies in Britain and the U.S. In fact, Britain is shown to have figures for crimes of dishonesty which proportionally come much nearer to the American rates than cisatlantic complacency realizes. Even so we can't win all of them.

There was a long established tradition in Britain for the

penitent "confessions" of condemned criminals to be sold beneath the scaffold on the day of execution.

"All young fellows now take heed of me
Brought by drink and passion to the fatal tree."

Unlike Mr. Wilson's chapter some contributions to this *schrift* do read like such gallows orations addressed in great pity to an America thought to be slipping in to the sort of bad habits and worse company which brought Britain to her impending and terrible end. Mr. Wilson, however, in the most effective and lucid short article on crime and punishment this reviewer has seen, plainly denounces American (and specifically Californian) influence and "enlightenment" for disorienting the British authorities. Consequently we have a crime rate which has deteriorated, is deteriorating and has further still to go.

Good old fashioned British Tories used to talk about the sort of people who got their cooking from Paris and their politics from Moscow. They might now have to add that they get their penology from Sacramento!

Mr. Wilson also gives an excellent account of the rise of political violence in this country. Yet out of 105 convictions for assaulting a police officer, only 10 produced imprisonment. Even though Britain is not without virtue when the oldest, least reformed, least enlightened, and shrewdest part of her constitution, the judiciary, can get its way, the stand is weakening. Prisons are not being built. The pushers of a deadly benevolence are having their effect. The prospects of an accused robber going to jail in Britain were 62 to 100 in 1966; eight years later they had fallen to 47 in 100.

In these particulars we have a great deal to learn from the American "liberal" experience – purely as a deterrent to any further weakening on our part.

In the field of economics, *we* of course are the pace setters. It is not pleasant for any Englishman to know that his country is seen as a sort of Twentieth Century Ottoman Empire, an object of terrible warnings, a model for what could go wrong elsewhere. But it will do us and our friends no service to deny that the performance of the British economy, and specifically the role of government in creating our present lingering tubercular condition, has been unforgivable.

The British historian, Patrick Cosgrave, and Ambassador

Jay between them trace the consequences of "demand management," a fraudulence disguised as an error masquerading as Government policy, which from Mr. MacMillan until now has worked like an alternating and steadily incremented course of stimulants and depressives.

1957 is for Cosgrave the year in which the ideas of Keynes were subjected for the first time to a debauch. The MacMillan Government, which had a shallow butterfly quality, was seriously interested only in survival. Like Leo X who decided to enjoy the papacy (but under the unpapal necessity of getting re-elected), Mr. MacMillan bought his way into a landslide electoral victory with deficit spending and demand stimulation.

Almost all his successors followed in this tradition. They were unable to recognize that short term political self-interest was long term economic self-slaughter, that each new injection of cash into the system would have to be larger and that a higher proportion of it would come from the expedient of printing money.

From the MacMillan who discounted the resignation of his three Treasury Ministers in support of deflationary policies as "a little local difficulty," to the Heath who tried to print money *and* enforce a statutory wages policy at the same time, successive British governments of both parties made great strides toward the destruction of our country. Money should be honest but for a fair part of the last twenty years ours has been distinctly shady. Since the arrival of the IMF police car, it has been unsteadily on probation.

Yet MacMillan and Heath were *Conservative* Prime Ministers! Unfortunately no account of the failings of Social Democracy is half written without a history of Conservative policy.

There has been in Britain a consensus among politicians. civil servants and the media which only began to break up in the mid-seventies. It was not Socialist in the proper sense of queues, expropriation, directed labor, collectivization. It was a misreading, in part honorable and humane, and in part shallow, feckless and self-indulgent, about the possibilities inherent in a mixed economy. It was coupled with the granting by both parties of higher priority to politics than to economics; and it was concerned to treat unemployment as the plague and inflation as a cold.

It has helped us to decline in a peculiarly British, peculiarly

Fabian, gradualist way. With our economy in what may be irreversible decay, and individual liberty enfiladed between bureaucracy and what should now be called Monopoly Labor, it is our apparent destiny like Iago to rot half a grain a day.

This is not a book which will be well received in either Cambridge, Massachussetts or Cambridge, England.

Edward Pearce

The Contribution of F.A. Hayek

ESSAYS ON HAYEK. *Edited by Fritz Machlup* with a Foreword by Milton Friedman. (Hillsdale College Press and New York University Press, New York, 1976, 182 pp., $10.00)

The origin of this book was a series of papers delivered at a special regional meeting of the Mont Pelerin Society held at Hillsdale College, August 24 to 28, 1975. The purpose of the special meeting was to honor and appraise the work of Friedrich Hayek who in 1974 had received the Nobel Prize in Economic Science. Hayek was the founder and has been the guiding light of the Mont Pelerin Society since its beginning in April 1947.

The anthology includes main contributions by George Roche, the President of Hillsdale College, Fritz Machlup, Arthur Shenfield, Ronald Max Hartwell, William F. Buckley, Jr., Gottfried Dietze and Shirley Robin Letwin. Fritz Machlup provides us with "Notes from the Editor," which describes the Mont Pelerin Society, and also includes excerpts from the Nobel Prize announcement. This is accompanied by Hayek's brief speech at the ceremony where he characteristically explains why he himself would not have founded a Nobel Prize in economics.

Milton Friedman provided a brief foreword; the conclusion of the book consists of two appendixes, one of which is an appreciation written by Arthur Shenfield, and the other is a list of Hayek's books in English still in print.

Although the book is meant for the general reader, the essays vary widely in their coverage as well as in what is required of the reader. The most technical, as well as the most important

contribution for the economist, is Fritz Machlup's , "Hayek's Contribution to Economics." This article, which was originally written in the summer of 1971, appeared in *The Swedish Journal of Economics*, December 1974. The article in succinct fashion covers Hayek's monetary and capital theory, attitude to central planning, and legal and political philosophy. In short, Machlup tells us why Hayek deserved the Nobel prize. Scholars will also find extraordinarily helpful the Bibliography of Hayek's work which consists of 15 books, 12 pamphlets, and 136 articles. Although the bibliography has been brought up to date to 1975, it still does not include articles in daily and weekly newspapers, and in general-interest magazines.

The long essay by Gottfried Dietze, "Hayek on the Rule of Law," is a close, careful and textually oriented article which demonstrates the prime importance of freedom in Hayek's understanding of the rule of law. Referring to Hayek as a "liberal aristocrat" he twice alludes to a comparison of Hayek with Hegel. In one place he states:

> And just as for the German idealist the state as the realization of the moral idea is the march of God in the world, for the constitutionalists, the "Old Whig" Hayek, that march is the (rule of) law as the realization of the liberal idea of justice. Under it, there exists "The State of Liberty."

In another place he refers to the fact that Hayek "perhaps in Hegelian measure, considers the real the rational."

Hartwell's paper on "Capitalism and the Historians" makes a related criticism of Hayek's rationalism when he focuses on a "practical weakness of Hayek's liberalism." Hartwell surveys *Capitalism and the Historians, The Road to Serfdom*, "The Intellectuals and Socialism" and he finds that Hayek tends to believe that by exposing the illiberal tendencies of socialism, he will lead all rational people to accept capitalism. Hartwell emphasizes that the Invisible Hand may not only serve to symbolize the workings of the market but also the growth of government in the twentieth century. Hartwell provides a useful summary of the sources of anti-capitalism and builds on, rather than merely summarizes, Hayek's work.

Arthur Shenfield's contribution, "Scientism and the Study of Society" uses the title of Hayek's articles in *Economica* in 1942 and 1943, later embellished in book form as the *Counter-Revolution of Science*. The theme of scientism is touched on

by nearly all the contributors, but Shenfield provides a very useful condensation of this aspect of Hayek's work for those who do not have the time or the inclination to peruse all of Hayek's original work.

The most important theme in both the contributor's description of Hayek and in Hayek's own work is the theme of humility. The key to Hayek, the philosopher, is to discover the sources of that humility. Is it a personal trait or a metaphysical principle?

I found myself, for example, in perfect agreement with George Roche's "The Relevance of Friedrich A. Hayek." He twits economists, libertarian and non-libertarian alike, for neglecting the soul; he stresses the "moral and spiritual underpinnings" of the free society; he emphasizes "civic virtue" and consensus on what "the good man should be." Roche is right, but is it Hayek?

Shirley Letwin, in her essay, "The Achievement of Friedrich A. Hayek," tells us of Hayek at the Committee on Social Thought of the University of Chicago. She also reminds us that "The general subject was liberalism" and even more pointedly that "Hunting for the holy grail was definitely out of order" in Hayek's seminars.

William F. Buckley, with a slight glint of the holy grail in his remarks, is the only one of the contributors to hint at a substantive criticism of Hayek's thought. Implying by his remarks that his voice is not in "total harmony with those of the legions who praise his name" he points out the "high relativism" of Hayek and the "historicistic humility" which Hayek occasionally shares with Michael Polanyi. Buckley would perhaps agree with the observation of one of Hayek's great heroes, Adam Ferguson, who once observed: "The desire of perfection, and even the love of virtue, have been confounded with pride." (Adam Ferguson, *Institutes of Moral Philosophy*, 1773).

William F. Campbell

The Breed Who Built the Sunbelt

THE PROFESSIONAL: A BIOGRAPHY OF J. B. SAUNDERS. *By Otto J. Scott,* (Atheneum, New York, 1976, 482 pp., $15.00.)

This is the compelling chronicle of the achievements of one of America's most maligned minorities: the professional businessman.

At a time when ignorance of business in general and of the energy industries in particular has come to be institutionalized in politics and the press, this skillfully written story of an independent pioneering Texas-Oklahoma oil entrepreneur is intelligent, indispensable history. Equally important, Scott's work is also the chronicle of an era (1901-1975); his narrative of J.B. Saunders' professional career is woven in with national and world events. Thus, we are treated not just to the inspiring story of a pioneering Texas family, who grew up in the Oklahoma Indian territory and who became "a looming presence" in the petroleum industry, but we bear witness to the great historical events and environment through which Saunders lived.

At the very outset, Scott pinpoints the much neglected basic premise of business as a profession.

"Few individuals," he writes, "except its practitioners seem to realize that business is, in all its reaches, a life of the mind. That perception is hidden from many who are dazzled by the tools of business, by its goods, machines, and money. They seem to assume that these instruments operate outside, and beyond the control of human beings. They confuse, in other words, the caretakers and landlords of business — its rank and file managers, so to speak — with its leaders, prime movers and innovators.

"In most of the world, however, business has remained a subprofession; a collection of traders, loan sharks, and landlords, hindered and dominated by a restricting elite. It was only in Western Europe and the United States that business was freed from the grip of the state and the privileges of ruling groups. Any intelligent, practical, and energetic person could enter — and still can enter — the ranks of business in the United States. And it is mainly in the United States that business grew so intertwined in the nation's life, and so relatively unfettered,

that it could develop into a creative highly skilled profession."

Scott pinpoints two periods in American history when we began to shift from an open society to a government regulated and regimented one. The first was the era of Woodrow Wilson when J.B. Saunders was just getting started. The other was the FDR New Deal. The Wilson era tore America away from its original roots of freedom as fashioned by the Founders of the American Republic. The New Deal completed the uprooting process and altered American life forever.

"The nation, in other words," observes Scott, "was still largely unaware of the great and sweeping changes underway, in a societal sense. People took it for granted that the New Deal was simply another Wilsonian sort of administration whose rules and regulations would vanish as soon as the depression lifted. So far as JB, Hassett and the firm was concerned business was fairly good anyway; they had conquered the depression in its opening years without outside help.

"Around him swirled an entire society in which old landmarks were falling. The winter of 1935-1936 had erupted into far-flung floods with widespread devastation. The spring and summer produced hideous dust storms and drought that blew away small farms and farmers alike from a vast region that extended from Texas to Canada through the entire middle of the country."

Thus, what Scott makes vividly clear in this work is that a breed of businessmen like Saunders, from World War I to the late 1960's, constructed creative enterprises despite an era when the landscape of liberty was systematically and dramatically reduced under the impact of war, economic depression, and the growth, to Goliath proportions, of government that confiscates but does not create new ideas, innovations, and lasting wealth — all of which make for a prosperous and viable free society.

Saunders' son is quoted by author Scott that the Triangle Refineries that his father built, if he were starting out today, "would not have been possible under today's rule." Thus this work presents a vivid contrast to the current efforts of the federal government energy program under President Carter. The government is seeking to duplicate with the power and resources of the public sector what men and women like J.B. Saunders achieved in the private sector. "That was," observes Scott of the Carter effort, "the path of ancient Rome. The

forms of liberty remained, but all authority was subsumed by the state. In the end there was nothing but the state."

One could conclude that J.B. Saunders was of a breed of businessmen who not only helped build the United States, but he is a representative of what has come to be called The Sunbelt – that economic boom region embracing the South, Southwest, and West. Under the impact of the very coercive policies proposed for the petroleum industry by a procession of past federal administrations, industry and population have fled the Northeast for the Sunbelt region in search of a climate in which creativity in commercial enterprises is rewarded not punished.

"There is a myth," Scott notes, "one of many that cloud the minds of modern man – that schooling determines ability. But there are signs that this assumption is now creaking toward collapse under the weight of academic degrees. The lessons of all life, after all, cannot be ignored by boards and committees. Some of the lessons were coming home to the United States."

One such lesson is that what made the Sunbelt so productive a region is what made the now-decaying and dying Northeast a once thriving sector of the economy: the breed of businessmen like Saunders. The historical value of this work, therefore, is that it offers the compelling story of an individual and the era of which he was a part, but of equal significance it lays before us the components of character and the human creative processes that make a great many large human ends possible. For the Sunbelt region, such an examination is critical if it is to avoid the mistakes made by those businessmen in the Northeastern part of the nation, where the life forces are being lost to the Sunbelt under the impact of government (local and state) policies of punishing the productive in the mistaken belief this will help the non-productive.

"The American business phenomenon was visibly fading," observes Scott in this regard, "as the final quarter of the twentieth century dawned. Proponents of a planned and controlled economy were in the ascendancy. Before the memory of economic freedom fades entirely, therefore, it might be salutary to review the record of one of its real professionals, the man in the suite.

"But there is a disturbing possibility," he adds, "that in our national rush for new solutions we may forget answers discovered in the past. We may even forget, amid clouds of propaganda, what that past contained."

Jeffrey St. John

New Books and Articles in Public Policy

Aim Report (Accuracy in Media), Washington, D.C., July 1977.
This valuable critic of the media includes an article on the recent hearings before the House International Relations Subcommittee on Human Rights chaired by Congressman Donald Fraser, in which the current conditions in Vietnam were outlined in considerable detail. Very few newspapers have picked up this documented testimony.

John Barron and Anthony Paul
Murder of a Gentle Land: The Untold Story of Communist Genocide in Cambodia (Reader's Digest Press, $8.95).

F.R. Bax
"The Legislative-Executive Relationship in Foreign Policy: New Partnership or New Competition?" (*Orbis*, Winter 1977).

Tom Bethell
"The Myth of an Adversary Press" (*Harpers*, January 1977). The media is viewed as another department of government; not in the traditional sense of a Fourth Estate but as an integral part of the bureaucracy in which bureaucrats wage war with each other using the press as a weapon.

Lawrence D. Brown and Bernard Frieden
"Guidelines and Goals in the Model Cities Program" (*Policy Sciences*, December 1976).

Senator Harry F. Byrd, et al
Trends in U.S.-Soviet Military Power: The Emerging Strategic Imbalance (American Conservative Union Education and Research Institute, Washington, D.C., $1).

Geoffrey Chandler
"The Innocence of Oil Companies" (*Foreign Policy*, Summer 1977).

Wilbur J. Cohen
"The Social Security System: Its Evolution; What Will Its Future Be?" (Center for Information on America, Washington, D.C., $.45).

Alvin J. Cottrell and James E. Dougherty
Iran's Quest for Security: U.S. Arms Transfers and the Nuclear Option (Institute for Foreign Policy Analysis, Cambridge, Massachusetts, $5).

Roger H. Davidson and Walter J. Oleszek
Congress Against Itself (Indiana University, $15).

Jurgen Domes
"China after Mao: Problems and Prospects of Politics in a Period of Transition" (*The Journal of Social and Political Affairs*, Council on American Affairs, Washington, D.C., Winter 1976).

M. Stanton Evans
Clear and Present Dangers: A Conservative View of America's Government (Harcourt, Brace, Jovanovich, New York, 1976). One of the

leading young conservative writers in our country has written a comprehensive critique of the liberal position on major policy issues including environmental planning, education, civil liberties, crime, foreign policy and defense. A first-rate guide to what is wrong with the left of center position and what is right with the right of center position.

Morris P. Fiorina
Congress – Keystone of the Washington Establishment (Yale University , $8.50/$2.95).

Milton Friedman
Friedman on Galbraith: On Curing the British Disease (Fraser Institute, Vancouver, Canada, 1976).

Alton Frye
"Congressional Politics and Policy Analysis: Bridging the Gap" (*Policy Analysis*, Spring 1976).

Lewis H. Gann
Neo-Colonialism, Imperialism, and the "New Class" (Institute for Humane Studies, Menlo Park, California, $1).

Hugh Heclo
A Government of Strangers: Executive Politics in Washington (Brookings Institution, Washington, D.C., $10.95/$4.50).

Bruce Herschensohn
"Bias in the National Media" (*Rockford College Widening Horizons*, Rockford, Illinois, April 1977).

Charles D. Hobbs and Stephen L. Powlesand
Retirement Security Reform: Restructuring the Social Security System (Institute for Liberty and Community, Concord, Vermont, 1975). A provocative plan for putting the social security system on a sound financial basis.

Gary C. Jacobson
"Practical Consequences of Campaign Finance Reform: An Incumbent Protection Act?" (*Public Policy*, Winter 1976).

Sir Keith Joseph, Bt., MP
foreword by Margaret Thatcher, MP, *Monetarism is Not Enough* (Centre for Policy Studies, London, 50 pence).

Jack Kemp, M.C.
"Strategic Arms Limitation: Some Recommendations" (*Journal of International Relations*, Washington, D.C., Spring 1977).

Major George Kolt, USAF
"The Soviet Civil Defense Program" (*Strategic Review*, Washington, D.C., Spring 1977).

Irving Kristol and Peter T. Bauer
Two Essays on Income Distribution and the Open Society (International Institute for Economic Research, Los Angeles, $.95).

Ervin Laszlo, et al
Goals for Mankind: A Report to the Club of Rome on the New Horizons of Global Community (Dutton, New York, $15/$7.95).

Laurence Leamer
Playing for Keeps in Washington (Dial, New York, $8.95).

William T. Lee
foreword by Eugene V. Rostow, *Understanding the Soviet Military Threat: How CIA Estimates Went Astray* (National Strategy Information Center, New York, $2).

Dennis C. Muller
"Public Choice: A Survey" (*Journal of Economic Literature*, June 1976). A valuable guide to recent work in the new field of public choice.

The New Republic, July 9 and 16, 1977.
A whole issue of this generally liberal magazine on the perks of power in Washington, including articles on the Kennedy Center (built by the general taxpayer but a refuge largely for the Washington upper-class) and on Washington's segregated schools; the city which is trying to desegregate schools everywhere has been very lax in its own backyard.

Robert A. Nisbet
The New Despotism (Institute for Humane Studies, Menlo Park, California, $1).

Paul H. Nitze, John F. Lehman, Seymour Weiss
introduction by Roy F. Kohler, *The Carter Disarmament Proposals: Some Basic Questions and Cautions* (Center for Advanced International Studies, University of Miami, Washington, D.C.).

Senator Sam Nunn
"The Revision of NATO – Strategy and Force Structure" (*The Journal of Social and Political Affairs*, Washington, D.C., Winter 1976).

Henry Owen and Charles L. Schultze, eds.
Setting National Priorities: the Next Ten Years (Brookings Institution, Washington, D.C., 1976). In true Brookings style this well-documented paperback is a grand plan for America's development over the next decade.

Robert L. Pfaltzgraff, Jr. and Jacquelyne K. Davis
The Cruise Missile: Bargaining Chip or Defense Bargain? (Institute for Foreign Policy Analysis, Cambridge, Massachusetts, $3).

Richard Pipes
"Why the Soviet Union Thinks It Could Fight and Win a Nuclear War" (*Commentary*, July 1977). A major article by one of the participants in "Team B" ,which recently revised the CIA estimates on Soviet military strength.

Jean-Francois Revel
The Totalitarian Temptation (Doubleday, New York, $8.95).

Thomas Sowell
"Education and the 'Ghetto' School: Patterns of Black Excellence" (*The Public Interest*, Spring 1976).

George Stigler
"John Kenneth Galbraith's Marathon Television Series" (*National Review*, May 27, 1977).

Dale R. Tahtinen, John Lenczowski
Arms in the Indian Ocean: Interests and Challenges (American Enterprise Institute, Washington, D.C., $3).

Alan A. Walters
introduction by Harry G. Johnson, *The Politicization of Economic*

Decisions (International Institute for Economic Research, Los Angeles, $.95).

E.G. West
Adam Smith: The Man and His Work (Liberty Press, Indianapolis, Indiana, 1976).

Daniel Yergin
Shattered Peace: The Origins of the Cold War and the National Security State (Houghton Mifflin, New York, $15).

Compiled by John Seiler

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by Marshall R. Colberg (To be published September 1977, $3.00)
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by Stuart M. Butler and Eamonn F. Butler (1974, $2.00)
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