

Trollope's *Barchester Towers*, the best relatively new book I have read all year is Thomas Mann's *Dr. Faustus*, and the best recently published book I have read all year is Saul Bellow's *To Jerusalem and Back*.

GEORGE F. WILL
Syndicated columnist,

Washington Post and Newsweek.

DeGaulle's *Memoirs*. This is a good year in which to be reminded that subtle people have their place in democratic government.

Walter Berns, *The First Amendment and the Future of American Democracy* (just out). One of the few exceptions to my (and Emerson's) rule not to read a book

that has not been out for more than a year.

Cecil Driver, *Tory Radical: The Life of Richard Oastler*. An examination of an especially noble conservatism.

George Eliot, *Middlemarch*. A serious masterpiece that is good for the soul.

P.G. Wodehouse, *Uncle Fred in the Springtime*. Proof that a masterpiece need not be serious. □

BOOK REVIEW

The Growth of American Government: A Morphology of the Welfare State

Roger A. Freeman / Hoover Institution Press / \$8.95

George H. Nash

When Herbert Hoover left the Presidency in 1933, the federal budget was less than five billion dollars. Today it is eighty times higher. In 1932, while President Hoover was still in office, total governmental expenditures (at all levels) comprised less than 20% of the Gross National Product. Today the figure approaches 40% and does not cease to climb. Since 1900 public spending in the United States has increased more than 239 times. In 1976 the federal deficit alone will be at least ten times greater than the entire federal budget during Herbert Hoover's final year as chief executive.

What has happened? Roger Freeman—Senior Fellow at the Hoover Institution, adviser to Presidents, and authority on public finance—believes that the United States has witnessed “nothing less than a revolution in the nature of government” during the last twenty-five years. In the middle decades of the twentieth century, America has seen the explosive emergence of the welfare state—probably “the most significant governmental development of its time.” In a book laden with charts, tables, and fascinating statistics, Freeman examines this phenomenon, its consequences, and implications.

Freeman begins by refuting a plausible but erroneous notion: that the federal bureaucracy and its expenditures have been expanding at an unusual rate in the past quarter of a century. Surprisingly enough, this has not been the case: federal spending and employment have not been exceeding the growth of the nation's economy since 1952. Instead, the truly noteworthy proliferation of government since the Korean War has occurred among

states and localities. But if, as Freeman states, “the growth of government as such” has *not* been the significant transformation of recent times, what, then, constitutes the “revolution”? To Freeman the “overpowering fact” for 1952-1972 has been a monumental change in the *nature* of governmental activity, particularly at the federal level: a “sudden and unprecedented explosion” of programs and expenditures for domestic social purposes.

Freeman amasses a startling array of statistics to document his case. In 1952 the federal government already disbursed 13.4 billion dollars for domestic services; since then this figure has increased more than *ten times*. In 1969 federal domestic expenditures reached \$72 billion—180 years after George Washington became President. It took only six more years for this already gigantic figure to double. In fact, Freeman observes, federal domestic spending actually increased more than fifty percent faster in the first term of President Nixon than in the comparable periods under Presidents Kennedy and Johnson. If one includes the expenditures of all levels of government, the figures become even more astonishing. Between 1952 and 1972 governmental outlays for education rose 705%, for social services and public welfare 1169%. No wonder Freeman concludes that a “revolution” in public spending has transpired and that “the nature of the federal government underwent its most significant change ever between 1952 and 1972.” In this year of the Bicentennial, America faces an arresting fact: “social services and income distribution” have become “the core function of the United States government.”

How has this enormous reorientation of government been financed? Freeman demonstrates that the aggrandizement of domestic social programs has largely taken place at the expense of appropriations for

national defense. Far from painting a Galbraithian picture of social service deprivation at the hands of a bloated Pentagon, Freeman reveals that the opposite would be a more accurate portrayal. Between 1952 and 1972 the portion of the federal budget allocated to defense was reduced by one-half, while the portion devoted to domestic services tripled. The share of the Gross National Product expended for national defense and international relations has declined steeply from 14.3% in 1952 to less than 7% today—the lowest level since the 1930s. Freeman notes that in just twenty years (1952 to 1972) the expenditures of all levels of government in the United States surged upward by a staggering 277 billion dollars. Less than one-eighth of this increase went to national defense; domestic services took nearly all of the rest. In 1952, at the height of the Korean War, defense spending accounted for two-thirds of the federal budget. Twenty years later, even during the extremely costly Vietnam War, defense spending had plummeted to less than one-third, while domestic services had grown to more than one-half. How many critics of the supposedly insatiable “military-industrial complex” realize that the annual budget of the Department of HEW now substantially exceeds the budget of the Department of Defense?

In the course of analyzing recent trends in government spending, Freeman scrutinizes America's system of collecting public revenues as well. It is appropriate that he do so, for governmental taxation, like governmental expenditures, now approximates a remarkable 40% of the GNP. In an election year replete with cries about tax reform, Freeman's discussion of this topic is apt and instructive. He observes, for example, that despite all the inveighing against tax “loopholes,” most tax-free income in the United States resides in the

lower brackets, not the higher. In an age increasingly suspicious of giant corporations, Freeman boldly condemns the corporate profits tax as "probably the most economically damaging tax in our system." Noting that the United States already imposes a higher corporate profits tax than any other nation, he contends that this levy—politically popular though it may be—"punishes the efficient producer, restricts industrial expansion, penalizes capital formation, and adversely affects our competitiveness in international trade." Moreover, Freeman observes that among industrial states the American tax system actually ranks first in its discouragement of capital formation and encouragement of consumption—all "in a determined attempt to redistribute income." These are provocative remarks indeed—words which challenge the "conventional wisdom" of our public discourse.

Yet Freeman's book is more than a chronicle of the "growth of American government" and more than a critique (from a conservative perspective) of our tax system. After all, if the expansion of government in mid-century had been matched by an improvement in the *efficacy* of government, few Americans would care about Freeman's statistics. It is therefore one of the merits of Freeman's book that he investigates not merely trends but results. Today there is one American on a government payroll for every four persons in private industry. Moreover, one American out of every four currently "obtains his livelihood," in Freeman's words, "through *workless* pay from the various social welfare programs." To what purpose? With what effect? What have been the consequences of the staggering dispersal of public funds and the elephantiasis of the welfare state?

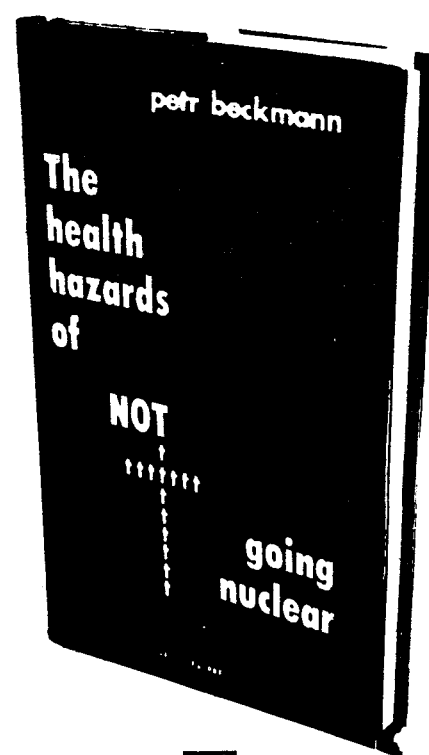
With customary candor Freeman supplies the answer. "The spectacular expansion of governmental activities" since 1952, he writes, "has not produced the promised and hoped-for results." In fact, it has often proven "counter-productive" and has exacerbated the very problems it was supposed to cure. Time and again, in program after program, Great Society liberalism has failed. The Aid for Families with Dependent Children (AFDC), for instance, has been "a nightmare and a plague on the body politic." Since 1952 the number of AFDC recipients has increased more than five times—from two million to eleven million—and AFDC has become "a major nutrient in the breeding grounds of...social ills," a "cancer on society, planted and nursed by the federal government...." In the field of housing and urban renewal, the federal government between 1948 and 1968 destroyed 3.5 times as many units as it built, yet still the program continued. In the area of energy policy, Freeman reports that it was federal actions, not the alleged iniquities of private industry, which have primarily caused the current crisis: "Regulation of the natural

gas price at artificially low levels for the past twenty years stimulated expanded consumption of (and conversion to) gas while discouraging exploration and production." Freeman would probably enjoy an exposure of the fallacies of our energy policy offered some months ago by the governor of Oklahoma. Suppose, said the governor, that we regulated chocolate candy in the same way we have regulated natural gas. Suppose that the federal government simply decreed that chocolates would henceforth cost a mere penny a piece, and no more. There would soon be a national shortage of chocolates.

At which point, one might add, someone would probably propose the nationalization of chocolate factories.

Nor does education escape Freeman's careful and critical scrutiny. Between 1952 and 1972 public expenditures on education expanded an incredible *eight times*—four times faster than enrollments. And yet, to this day, Freeman declares, "the existence of a relationship between the magnitude of expenditures and educational quality" has not been established. Indeed, "the evidence is overwhelming that there is little if any cost-quality relationship in the schools." Year after year money allocated per pupil has increased, while "learning achievements" (as measured, for example, by college board test scores) have been declining alarmingly. Since 1965 the federal government has spent over ten billion dollars on compensatory education programs; the results, says Freeman, have been negligible. Nevertheless, year after year demands for more money for the "impoverished" educational sector grow ever more importunate, even while education has already surpassed every other sphere of governmental expenditure.

Meanwhile, Freeman remarks, the United States has become "the most crime-ridden country in the world." While the number of individuals below the poverty line has markedly diminished in the last fifteen years, crime (often said to be caused by poverty) has nevertheless soared. Outlays for income maintenance and education have reached astronomical heights, yet crime, family disintegration, and delinquency accelerate. Between 1964 and 1972, in just eight years, federal expenditures for domestic services multiplied an astounding *three times* (from 45 to 131 *billion* dollars). Yet these were eight of the most turbulent years of our history. One could continue, but the thrust of Freeman's argument is clear: the idea that sheer indiscriminate expenditure of tax dollars will solve domestic social problems is a myth. "Increased input," Freeman observes, "does not yield a greater output from a certain point on...." In fact, "there is a law of diminishing returns in social programs...." To those who implore us to "reorder our priorities," Freeman would reply that we have already done so. We have seen the welfare state, and it doesn't work.



The Health Hazards of NOT Going Nuclear

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Even more disturbing than Freeman's catalogue of failures is his analysis of the impact of the welfare state on national preparedness. The evidence that he presents is disconcertingly ominous. Since 1952 the proportion of national resources allocated to defense has been cut in half. It is true that in the twenty years since 1952 governmental outlays for defense increased 68%, but much of this expansion, particularly in recent years, has been absorbed by salary increases and retirement benefits. Meanwhile, in this same period, governmental expenditures for domestic services multiplied by 645%. And while the United States has been undertaking domestic experiments of stunning magnitude, there has occurred, in Freeman's words, "a decisive shift in the balance of military power." With relentless determination the Soviet Union is advancing toward what Freeman succinctly calls "decisive military superiority." For the Cold War is not over; it is merely "conducted less obtrusively." Freeman's words were written over a year ago, but they acquire new resonance almost daily. While the federal government has become enmeshed in "uncontrollable" social programs, its fundamental responsibility for the common defense seems increasingly unmet. In the summer of 1976, Lord Chalmont wrote that "the nuclear balance...is being demolished before our very eyes...." Almost simultaneously the Foreign Report of the *Economist* predicted that the USSR will attain strategic superiority over the United States within six months. Such solemn contentions by highly respected observers add a profoundly sobering dimension to Freeman's study of the growth of American government.

The implications of the burgeoning welfare state extend beyond the realm of success or failure for particular social policies. What, Freeman wonders, are the prospects for a republic in which government extracts from the individual an increasing portion of his resources and thus his ability to order his own life? What will be the ultimate consequence of the extraordinary restructuring of our federal system since the 1950s? In 1952 federal grants-in-aid amounted to less than three billion dollars. In the twenty-four years since then they have multiplied twenty times. The result, says Freeman, has been the creation of "a vertical functional autocracy which supersedes the self-government of local communities." In a word, "the substance of self-government has been drained. In Freeman's judgment, the impact of the welfare state on individual freedom has been "direct and negative." Whether the benefits of governmental spending will someday compensate us for these losses is an "open question."

But before one can predict the future, one must understand the past. Who has initiated and sponsored the "revolution" in government during the past few

decades? Like most conservative scholars since World War II, Freeman believes that "ideas have consequences" and emphasizes the role of intellectuals in promoting social change. It was the youthful intellectuals of the Great Depression, he states, who decisively influenced public opinion and policymaking a generation later. Freeman particularly stresses the importance of John Kenneth Galbraith's book *The Affluent Society*, published in 1958. Above all, he attributes the reorientation of governmental expenditures since the 1950s to the ascendancy of a view of politics which regards the redistribution of wealth as the principal purpose of government. According to the proponents of this theory—the theory of the welfare state—a producer has no inalienable right to the goods he has produced; there is no indissoluble link between effort and reward, between work and compensation. Instead, the advocates of the welfare state seek "to redistribute income and consumption more equally among high producers, low producers, and nonproducers, according to



their own sense of social justice. They aim to overrule, through the political process, the rewards and punishments of the free market...." For in the eyes of the welfare statists, the mechanism of the free market is inherently fortuitous and unfair. Equating equity with equality (as Freeman puts it), the devotees of egalitarianism strive not for equal opportunity but for equal results—through government and hence through politics.

If Freeman's explanation of the dynamics of the welfare state is correct, then the future of America is problematic. For it is evident that the defenders of a free society today confront not simply an issue of social policy, but a passion, an ideology: the ideology of coercive equality. At the moment it is not, I think, a dominant or irresistible impulse. To be sure, there presently exists in the land a widespread resentment against Big Government, the Washington Establishment, and Big Business. But beneath this malaise, I suspect, lies a popular yearning not for grandiose redistribution of incomes or worldly equality of results but for equity, for fairness. And as Freeman implies, equity and equality are not identical (at least not in the minds of most Americans).

Still, the contemporary appeal of abstract egalitarianism is undeniable, par-

ticularly among the young and the articulate. Although Freeman does not raise the question, one might ask why the magnetism of this ideology is apparently intensifying at this time. Is it because of newly perceived imperfections in a free society? Or could it be that the ideology of equality is gaining adherents in proportion to the triumph of the welfare state? Could it be that the very evils which egalitarians ascribe to a free society—the alleged unfairness of rewards and rule of chance—are in fact increasingly visible defects of the welfare state itself?

Advocates of egalitarianism appear to believe that "social" and "collective" decisions made through political channels will necessarily be more equitable than the judgments of the marketplace. They appear to assume that political apportionment of worldly goods will be readily accepted as legitimate because the entire society will presumably have participated in the political process. Recent experience, however, increasingly belies these expectations. Thanks to the Great Society and the growth of the welfare state, never has our political system been as pervasive as it is today. Yet rarely has this system been more widely regarded as corrupt. Almost every person one meets can recite an authentic anecdote about the abuses of the "System": medicaid mills, welfare frauds, food stamp cheating, OSHA regulations, "affirmative action," and many more. As Freeman's book demonstrates, the welfare state is already here, yet the increasing impingement of government on the marketplace has failed to engender a deeper sense of equity.

Instead, "collective" decisionmaking has generated its own array of vices and injustices: logrolling, favoritism, cronyism, and all the rest. The severance of merit from reward has facilitated the imposition of government-sanctioned job quotas and discrimination, with an attendant residue of inequity, hypocrisy, and bitterness. The more the sphere of politics intrudes into our lives, the more arbitrary and demoralized our social order seems to become. The more the welfare state mentality permeates society, the more illegitimate our society is perceived to be.

And so we encounter a seemingly accelerating cycle of cynicism and resentment. The passion for equality of results thrives on a perception that our social structure is capricious and unfair. Today this perception is spreading precisely because of the welfare state itself—a mechanism which has yet to devise a satisfactory rationale for its own distribution of income and rewards. The "collective" allocation of resources by political means is now widely considered to be at least as objectionable as the free society it strives to replace. Yet the ensuing disillusionment and insidious temptation simply to regard all society as a Great Rip-off may only undermine our social order further, thereby actually enhancing the prospects for

more drastic ventures in egalitarianism.

By documenting the emergence and evaluating the record of the contemporary welfare state, Roger Freeman has performed a timely and useful service. *The Growth of American Government* is neither a profound philosophical treatise nor a pioneering work in political economy. Still, it is a valuable synthesis, an impressive compendium of statistics and analysis

which should be widely distributed. Civic groups, businessmen's organizations, editorial writers, and other politically conscious individuals should read this work and ponder its contents. High school and college debating teams would especially benefit from such a sourcebook. I can think of few other current books which assemble so much significant information and commentary in such

a concise and practical form.

Some skeptics may doubt whether the minions of ideology will be repulsed or converted by an army of statistics. Perhaps not. Nevertheless, in appraising contemporary social policy and the claims of egalitarianism, we must begin somewhere. Roger Freeman helps us to begin with the facts. □

BOOK REVIEW

T.S. Eliot

by Stephen Spender / Viking Press / \$8.95

Eric McLuhan

One always approaches a book by one poet about another with mixed feelings, expecting either choice gossip or some sort of artistic inside track. Spender's book on Eliot provides neither—a pity as the Bloomsbury connection, which Spender had unique opportunities to observe both as poet and participant, could use much more elucidating. Perhaps those outbursts of satiric invective by Wyndham Lewis, *The Apes of God* and *The Roaring Queen*, will in the long run remain our most accurate account of the Bloomsbury group and its pretensions. Certainly there is more wit and judgment, more playfulness and incisive perception in any of Lewis' observations than anywhere in this book. Spender's ostensible purpose in writing—as signified by what the book contains—is to *explain* T.S. Eliot's poems and prose and fundamental aesthetic. But this conceals the real purpose of writing such a treatise which soon reveals itself as showing that the author can be just as much an aesthete as his subject. The technique then is to draw Eliot down to his level, and to pretend that there's nothing more.

The merits of the book are few, and are rather obscured by the consistent emphasis on aesthetic sensibility as a substitute for artistic percipience. The necessary assumption is that poetry is after all a matter of refinement and sensibility—an attitude shared by most Bloomsburyites—and consequently, aside from his exquisite taste, that there remains really no reason for regarding Eliot's as serious art in the sense he and Pound and Lewis used the term. The reader already acquainted with Eliot, and with the better literature that has grown up around his work, will find little or nothing new in Spender (with the

possible exception of some of the remarks in chapter ii, "Education, Harvard Style" and in chapter xi, "Politics") and nothing of consequence. It is a book for tourists and the paths it takes are well beaten.

Any passage or chapter will serve to demonstrate. The chapter on "The Waste Land," for example, is written with Valerie Eliot's disclosure of Pound's collaborative emendations in view. We might expect a discussion of poetic, of structure, of shifts in tone or intent, or of changes in perception of the overall function of the poem. Instead the remarks remain on the level of the descriptive and mechanical, e.g.: "Undoubtedly the most dramatically decisive change was the scrapping of the scene with which the poem opened, of Sweeney-like buddies having a night out on the town...." Description is everywhere substituted for analysis: the eventual opening ("April is the cruellest month") is "arresting." The danger of remaining on the surface is that it is too easy to fall into contradictions, as "By putting the prophetic statement first, Eliot makes it prophecy and not social satire. The contemporary voices become illustrative symptoms of the state of the civilization." Spender knows better than this; one of the classic modes of satire (Varronian or Menippean) is diagnostic and illustrative. But it must be admitted that he seldom lapses into such contradictions.

To take another example from the same discussion: reviewing a catalogue of some "secondary voices" he remarks, "such voices are symptoms: symptoms of attitudes, reflexes, neuroses," which are "the results of the state of the civilization to which deeper voices, voices of the Biblical and Greek world, bear witness. There is one voice—the voice of the poet in the poem, who suffers." These are fairly conventional descriptive cataloguings, and a reasonable prelude to a deeper discussion

—but they represent virtually all that Spender has to offer on the subject.

The same descriptive superficiality characterizes the rest of his remarks on Eliot's artistic endeavors. Of the most important, the most crucial aspects of Eliot's work, his experiments with language and with the updating of sensibility, there is not a word—aspects which we would expect another poet to be most concerned with and to be able to tell us most about. Instead we get a ballet of banalities about "the quest" and "the need for redemption...passionately realized in Eliot's poems." All of which may be true enough, but we do, I think, deserve better from another poet. Books that puff these themes and approaches already clog the shelves (we can be thankful that the age is now passing in which bright young assistant professors are expected to complete their journeymanhood by "doing a book" on each of the moderns). But we expect from a Spender something that qualifies as serious rather than what one gets from one who "is promising."

A few more examples. Having quoted one of the focal passages from "Tradition and the Individual Talent," the one which includes "the existing monuments form an ideal order among themselves, which is modified by the introduction of the new... work of art among them..." Spender's comments reveal that he misses (or bypasses) the point entirely: Eliot's notion of the tradition is that which persisted from Quintilian at least until the time of Bonaventure. It is a synchronic, simultaneous whole. But each of Spender's remarks betray the opposite sensibility—fragmentary and diachronic: the tradition is seen as "an organic system of relations established in the past which adapts itself in an evolutionary way to new conditions through objective procedures taking place in the mind" of the living. "Organic"

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