

POLITICAL ANALYSIS

Carter may be worse than a Republican

By Alan Wolfe

Is Jimmy Carter really a Republican in disguise? Some liberal members of Congress are already asking themselves this question. They are certainly justified in doing so. Despite promises to the American people and despite the support of labor and blacks, Carter has to this point said very little to those who are victims of unemployment and economic stagnation except that they may have to pay more for gasoline.

But, in reality, Carter may be worse than a Republican. It would seem that the men who make economic policy for Carter have made a fundamental decision: they have determined that the entire scope of federal social policy since the New Deal is flawed and that what we need—shades of Herbert Hoover—is a return to the “market.”

Each year there takes place an event at Harvard university called the Godkin lectures. Various policy makers come to Cambridge and lay bare the political theory behind their policies. In the past McGeorge Bundy used this opportunity to call for stronger government and Nelson Rockefeller spoke for the need for creative federalism. This year the Godkin lectures were given by Charles Schultze, Carter's Chairman of the Council of Economic Advisors and the man reputed to be the brains behind Carter's domestic policy.

In his lecture, which will be published next December but which was previewed in the May 1977 issue of *Harper's*, Schultze tells us what this country needs is a strong dose of *laissez-faire*.

►Two ways to do things.

Schultze notes that there are two kinds of ways by which the government can pursue social policies. Output-oriented rules seek to regulate the economy directly, while process-oriented intervention seeks to achieve a given end indirectly by affecting the process through which it is pursued. If the goal is a reduction in pollution, an output-oriented policy would prohibit the burning of certain fuels, while a process-oriented approach would make it so expensive to use them that few would be foolish enough to do so, even if they could.

Schultze claims that we have been so output-oriented in this country that we have ignored the other approaches based on process. This has had, according to him, two negative consequences.

First, government has been taxed beyond its limit. “We cannot afford to go on imposing command-and-control solutions over an ever-widening sphere of social and economic activity.” Output-oriented regulations drain the state fiscally, and besides, they mess up the market, which is still the best way to allocate wealth.

Second, what Schultze calls “the temptation to overregulate” has caused political problems. It has destroyed the fragile consensus that exists in this country by arousing the ire of the right while leaving the poor dissatisfied and wanting more.

What we need, Schultze argues, is to change “the incentive structure.” This means a much greater reliance on attempts by government to shape the market, not to counterbalance it.

What does this mean in practice? Schultze claims that instead of government prohibiting nefarious practices, a system of incentives should be created such that business will be encouraged, but not commanded, to make the socially desirable choice. If one firm does not, then surely another one will.

►Vouchers for the poor.

So much for regulation of business. What about income distribution and social policy toward the poor? Schultze comes out strongly for vouchers, an idea whose intellectual roots is in the far right

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wing of the Republican party. He lays the blame for the failure of past social policies in the tendency to want to command people to do certain socially beneficial acts.

We must instead, he suggests, give them a choice. As far as possible all social welfare programs should be replaced by grants to individuals, not institutions, he argues. No money should be given to colleges, just to students; none to hospitals, just to potential patients. Then if a hospital cannot balance its books it should make itself efficient or close.

Such voucher schemes, in his view, accomplish two goals: they give people choice and so are compatible with liberty, and they force sellers of social products to shape up their procedures.

►A return to the 19th century.

Despite some fancy language borrowed from welfare economics and the “public choice” school of contemporary economic theory, Schultze's vision is a return to the worst features of 19th century Malthusian economics.

In the early 19th century England had a system called Speenhamland, under which the gentry guaranteed that nobody would starve. Such a policy, argued the liberals of that era, did the poor more harm than good for it undermined their incentive to work. Speenhamland was abolished and the market triumphed, with barbarism and injustice for all. This is what Schultze has in mind for 20th century America.

One example can be provided for the heartlessness of Carter's chief economic advisor. He argues that we have a double standard in America about social harm. If a business firm leaves an area and

causes unemployment, we do not complain, but if the government closes down a military base, we do. Schultze has a good point; both policies do harm to people. But he draws the opposite conclusion that neither is wrong.

Government, he says, is harmed by the “do no direct harm” rule. Policy makers never want to hurt people directly and thereby try to avoid controversial decisions. This, Schultze says, has gotten us into trouble by destroying our flexibility. We must abolish the “do no direct harm” rule. Apparently the best way to help people is to hurt them.

There is every reason to take Schultze's ideas seriously. Although he sounds like a right-wing extremist, he is one of the most influential men in Washington.

►Already had impact.

His ideas have already begun to have their impact. Carter has announced general principles of welfare “reform.” These principles are fully in keeping with Schultze's philosophy. The plan, if it can be called that, would give people cash grants so they can buy services. An attempt would be made to cut through the welfare bureaucracy by giving welfare recipients “incentives” to find work and be “efficient” and “productive” citizens.

While Carter has delayed action on specific changes in the welfare system, when he does present a plan it is likely to come straight out of Schultze's Godkin lecture.

The irony of Schultze's ideas is that they are based on a myth. All of his proposals can be reduced to one principle: the market performs better than the state: “the buyer-seller relationships of the marketplace have substantial advantages

as a form of social organization.” But where, one may rightly ask, is this marketplace?

The “private sector,” as it is euphemistically called, is organized along monopolistic lines. It is perhaps the only aspect of American life more inefficient than government. The monopoly sector is artificially inflated, grossly inefficient, highly inequalitarian, and excessively self-protected. It has long ago forfeited any claim to provide for the common interest. Yet Schultze wants to rely on it. If we go his way, we will lose whatever little democracy and participation we now have in favor of social services *a la* I.B.M.

►Total control over welfare state.

Now it becomes clear why Carter may be worse than a Republican. Much of the rump of the Republican party speaks for a wing of the business class that is competitive and still profit-oriented, especially the newer industries of the Southwest. These men have gripes against the monopolists of the older sectors of the economy, whose ability to avoid the market has made them more liberal politically.

A Republican president would be solicitous of specific businessmen. Cronyism is the Republican style. But Carter, speaking through Schultze, has emerged as a voice of the capitalist class as a whole, not one of its specific parts. The one thing the capitalist class does not yet have total control over is the welfare state. Apparently Carter, if he follows the advice of his Chairman of the Council of Economic Advisors, will give it that as well.

Alan Wolfe writes regularly on politics for *In These Times*.



Charles Schultze

WOMEN

N.Y. supports center for battered women

By Stephanie L. Twin

"Have you stopped beating your wife?" is an old joke used to describe an innocent man trapped in a catch-22 solution. His guilt is assumed whether he answers yes or no.

In the past couple of years, however, it has become obvious that wife-beating is no joke. It is neither a quaint and archaic cave-man custom nor a "culture of poverty" syndrome. It cuts across class, racial and geographic lines. At a recent conference in New York City Gloria Steinem estimated that wife-beating affects 30 percent of all women in every social class. NBC-TV claimed in January that it involves a million women a year. A marriage counsellor attending a battered women's counsellor-training session in Brooklyn reported that a Rabbi she was counselling had recently begun beating his wife.

Embarrassed, economically dependent, socialized to "stand by their men" and lacking options, women have too often simply put up with beatings and abuse.

In 1965 the Pasadena, Calif., chapter of Al-Anon, an organization for families of alcoholics, opened Haven House, a battered women's shelter. In 1972 the more well-known Women's House in St. Paul, Minn., appeared. Since then similar ventures have started in other cities. Most are privately funded, though a Fullerton, Calif., group operates on matching federal community development funds. Jacksonville, Fla., and Milwaukee, Wisc., are among the cities with groups addressing the issue.

In Los Angeles an organization called Women Against Violence Against Women has successfully publicized the problem there by protesting billboards and other cultural artifacts (like album covers) that display happily abused females (ITT, March 16).

►State supported center.

In Brooklyn a program both different from and similar to these has recently opened. The Center for the Elimination of Violence in the Family is, like other shelters, a refuge for battered women.

It is a place where they can get short-term support and assistance. An experienced, racially and ethnically mixed staff, supplemented by a corps of volunteers and interested professionals is being formed to help abused women through the maze of legal and welfare services.

Sympathetic women lawyers at legal aid societies are giving battered women's divorce requests priority and Women's Martial Arts Union members are serving husbands the summonses. Sympathetic female psychotherapists and family counsellors are offering longer-term assistance and an attempt is even being made to find men capable of counseling wife-beaters. The Center also operates a hotline.

However, unlike other shelters the CEVF is entirely state-supported. It is the first state-supported shelter in the U.S. "That is the most progressive move by far" on the issue, at least in the Northeast, says Ernest Caposela of the Council on State Governments.

Caposela feels the states are just beginning to understand the urgency and scope of the abuse problem and that New York's \$200,000 seed money bequest will encourage other states to follow suit. Already, he says, states in the Midwest are calling New York and New Jersey, which is moving fast on the abuse issue, for direction and advice.

►Cooperation between groups and legislators.

New York's ground-breaking involvement with battered women is the product of the combined efforts of two community groups and some liberal legislators. About a year ago the Brooklyn YWCA and the National Congress of Neighborhood Women independently drew up

proposals for battered women's projects.

The NCNW is a working-class feminist organization located in a lower middle-class area of Brooklyn. Its interest in an anti-violence program had developed naturally from its constituency.

The YWCA's interest had evolved as an unexpected offshoot of its rape crisis work. Y volunteers had set up rape sensitivity training sessions at Brooklyn hospitals and had been asked by nurses how to deal with battered women. In addition, abused women had been calling for help on the Y's rape hotline. At a Y community meeting the idea of establishing a shelter caught fire and a proposal was worked out.

At this point two liberal Democratic state legislators intervened for both the NCNW and the Y. Sen. Carol Bellamy, whose district includes that served by NCNW and who is a Y board member, took both proposals to the office of Senate minority leader Manfred Ornstein. They arranged for each group to be awarded \$100,000 out of the state's supplemental budget (not subject to legislative approval). The two organizations then decided to pool their resources and form the CEVF.

Serious planning for it began last August and in February staff interviews and volunteer training got underway. Currently the center is operating out of the Y, which has donated room and office space. The project hopes to move into its permanent quarters, an unused hospital building, by August.

►Breakthrough for all women's groups.

Jan Peterson, NCNW's founder, and Julie Morris, the Y proposal's chief architect, find it significant that the shelter is the first all-woman project funded by New York State. "The fact that a really feminist proposal like that got approved is a true breakthrough" for all women's groups, says Morris.

They are not counting on the state to refund them next year—a realistic assessment as the initial \$200,000 grant was meant as start-up money. Federal Comprehensive Employment Training Act (CETA) funds are assisting the Brooklyn program, but Caposela expects that most future funding for abuse projects will have to come from private sources.

There are other roles for states to play in the abuse issue, however, such as developing an enlightened definition of the term. At present no state has a domestic violence statute.

Family assault is theoretically treated the same as general assault but, in practice, you're safer in the street than in your home. Police and family courts are notoriously lax in using the assault statutes against husbands. Their fears of "breaking up the family" or interfering in a family quarrel run strong. Court observers and abused women report that many male police officers and judges also "sex identify" with the husbands.

In New York City a coalition of women's groups is suing the Police department and Family Court for dealing with the situation unprofessionally and often illegally.

Ten bills designed to clarify aspects of the abuse issue, strengthen women's positions in it and/or facilitate the establishment of shelters are currently pending in New York. New Jersey is considering four. New York Assemblyman Stanley Steingut held a public hearing on battered women April 29, the same day that the Council on State Governments held an Eastern Regional Committee meeting on the subject.

Similar currents are underway elsewhere in the country. Both locally and nationally articles and television specials on family abuse have proliferated. Battered women are, as an aide to Sen. Ornstein put it, a "hot" or "in" topic—a welcome fact that is long overdue.

Stephanie Twin is a writer in New York.



Lionel Delevingne

NUCLEAR POWER

Seabrook arrests are bankrupting state

The detention of 1,414 anti-nuclear power protesters in New Hampshire is turning into a political fiasco for Gov. Meldrim Thomson. Demonstrators who occupied the site in Seabrook where a nuclear power station is planned have forced the state to incur tremendous expenses by staying in jail after arrest, demanding to be released on personal recognizance.

Outlays for the care and feeding of the detainees and maintenance of the National Guard has severely drained the state's budget. Gov. Thomson has appealed for contributions from "corporations, labor unions and rank-and-file citizens" to help defray the costs of holding the anti-nuke prisoners.

"Our battle of today can become theirs of tomorrow," Thomson proclaimed, arguing that other states "contemplating or producing the benefits of nuclear power" might be "invaded by a mob."

So far Thomson's plea has generated only \$1,775, enough for a few Big Macs, the standard meals supplied by National Guardsmen to prisoners.

Gov. Thomson apparently had hoped for major violence at Seabrook. Before the demonstration, he publicly said that the protesters intended to seize the nuclear power plant site and blow themselves up. But the state police refused to crack heads, keeping their poise in the inflammatory atmosphere the governor tried to create. When it became apparent to Thomson that his ploy for violence had failed he attempted to forestall the arrests in the hope that construction workers coming to work on the power plant would attack the protesters. He was also thwarted in this maneuver.

New Hampshire is the only state that does not have a sales or personal income tax, an incentive that has drawn industry from across the Massachusetts border. The flight of firms to this relatively low-wage, no-tax haven led Massachusetts Senate president Kevin Harrington to recently declare "war" on New Hampshire. Thomson revealed in the publicity of his

popularity is based on his promise that there will not be taxes while he is governor.

With secure support from the electorate, Thomson has embraced various right-wing quack causes. He has asked the federal government to arm his National Guard with nuclear weapons, flew the flag at half-staff when the Taiwanese were denied entrance to the Olympics and took a case to the U.S. Supreme Court against a couple who taped over the state motto—"Live Free or Die"—on their auto license plates. (The couple won.) The John Birch Society monthly magazine, *American Opinion*, recently ran an adulatory article on Thomson, citing his administration as having created an American nirvana. Thomson's Shangri-la is now faced with fiscal insolvency, however, partly because of the new tactics of the anti-nuke guerilla foot-soldiers.

The county where the demonstrators have been housed in National Guard armories has filed suit against the governor, insisting that it will not pay any of the costs. Thomson has requested emergency funds from the federal Law Enforcement Assistance Agency, but it seems almost certain that this move will be fruitless. The Governor may be forced to ask the legislature for money—something he dreads since this will air the issue. The legislature may also reject his request, causing further embarrassment.

New Hampshire already faces a \$1 million deficit for the current biennium budget; a possible \$15 to \$20 million deficit looms for the next two-year period. "This state is really broke," New Hampshire Senate finance chairman C. Robertson Trowbridge said. Granite State voters may not be kind to Meldrim Thomson when they realize that he has pushed them into a fiscal crisis. The governor's 18th century dream may be a fallout casualty of the conflict over nuclear power.

—Sid Blumenthal

Sid Blumenthal is a writer in the Boston area and writes regularly for *In These Times*.