The Journal of Sociology & Social Welfare

Volume 4
Issue 3 *3 & 4 (Jan & Mar) combined*

Article 1

1977

Journal of Sociology & Social Welfare Vol. 4, Nos. 3 & 4 (January/March 1977)

Journal of Sociology and Social Welfare

Vol. IV No. 3 & 4

Jan. Mar. 1977

THE JOURNAL OF SOCIOLOGY AND SOCIAL WELFARE is published by the Journal of Sociology and Social Welfare Incorporated, University of Connecticut, School of Social Work, West Hartford, Connecticut.

Abstracts of Journal articles appear in Sociological Abstracts, Psychological Abstracts, Social Work Abstracts.

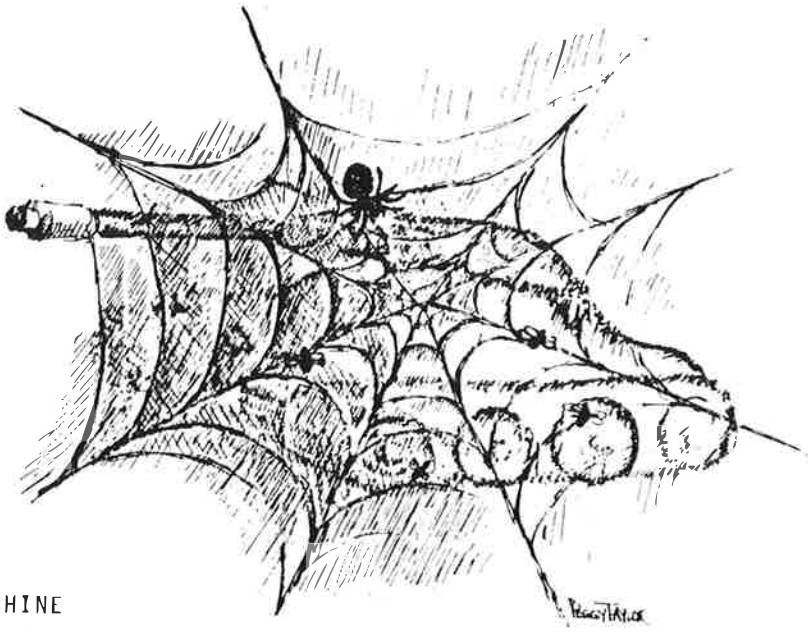
The Journal originated with the Division of Sociology and Social Welfare of the Society for the Study of Social Problems.

special issue:

WARFARE OR WELFARE -- WHICH DIRECTION FOR AMERICA?

Issue Editor: L. K. Northwood, School of Social Work
University of Washington

With: Ann Blalock, Kenneth Kirkpatrick, Charles Maynard



THE WAR MACHINE

The pallid spider
wraps its eight legs
around its fat belly
and never feels
the sticky wriggling
of attrition
in its own web.

zoe best

JOURNAL OF SOCIOLOGY AND SOCIAL WELFARE

Volume IV, Numbers 3-4 January/March, 1977

TABLE OF CONTENTS

TABLE OF CONTENTS
(Continued)

TABLE OF CONTENTS
(Continued)

Foreword to the Special Issue

SENATOR GEORGE MCGOVERN

The Bicentennial offered us the opportunity to reflect upon our history, to examine what we have achieved in the past two hundred years, and to review our current role -- at home and in the world.

We have six percent of the earth's population. We hold thirty percent of the world's wealth. Yet we contribute less than a quarter of one percent of our national product to the development of the third world. Half of the world is ill-housed, ill-clad and ill-fed. They cry out for our compassion. We must be more than the least help of that earth, for which we once were the last, best hope.

How many people now see America as a worthy influence, as a witness to the world for what is noble and just in human affairs? A militarist, interventionist foreign policy has placed us at odds both with our own principles and with the aspirations of most of the planet.

Born in revolution, we have become the leading counter-revolutionary force in the world. Conceived in liberty, we most often find ourselves defending one kind of totalitarianism out of fear that it might be replaced by another. Endowed with vast wealth, the Pentagon lavishes it on arms while the President vetoes jobs, housing, and health care.

This is not billions for defense, but for nonsense. We must meet real threats, but we need not exaggerate them in order to recognize them.

We have long since passed the point when mounting arms amounted to more safety. A new internationalism must pass beyond that sterile condition. It lies instead in a clear recognition of global interdependence; in a common resolve to feed the hungry, to revive the economy, to repair the ecology, to reverse the mindless population growth of a small planet where the great issue no longer is who will prevail, but whether humanity will survive.

Foreword to the Special Issue

Social warfare has become institutionalized as a social benefit in the culture of the United States in contrast to social welfare which remains in the status of a marginal activity. This fact is a disgusting and ludicrous reflection of the morals and deceit of the leadership control of our nation.

The complete integration of warfare conceptions and practices into the social fabric acts antithetically to counter the growth of mores that advance the quality of Americans' lives. The dominance of the economic structure (capital production, Federal budget and bureaucracy) by the military-industrial marriage under the sanction of national defense, the perpetuation of the mythology of weapons strength, the ideological control of communications, the permanent educational structures and operations of the military demonstrate the universality of the social warfare phenomenon. Dependency upon the warfare economy is accepted as natural and necessary.

On the other hand, social welfare is not accepted as a fundamental social benefit essential to the well-being of all and a desirable part of the social structure. Rather, it is treated as a residual requirement to be gained through qualification on individual merit by a special group of citizens. Social security is employment-qualified, medicare is age-qualified, AFDC is single-headed family-based. Few social welfare programs are universal or comprehensive.

The societal position of social welfare in 1976 is contrasted with social warfare in the simple illustration: the defense budget projections received automatic additions for inflationary factors, the welfare budgets did not.

Yet the necessity for social welfare measures continues to escalate, challenging the entrenched position of the warfare base for a greater share of national resources. Each societal institution - health, education, justice, emplyment, religion and even the military - increasingly requires a social services component to remain functional. This development, with its claim on part of national and local expenditures, creates the opposition to the warfare mentality and special interests.

The analysis and exposure of the warfare-welfare dialectics is a singularly important task, one that continues the historic mission to raise humans to a new level of social life. Eventually the social welfare outlook must substitute for the social warfare tradition if we are to survive.

The National Association of Social Workers, representing 70,000 professional members, has always participated in this crusade through its

policies and actions. It supports and applauds the contributors to this publication for their leadership in trying to change the conception and nature of social benefits for the American people.

Chauncey Alexander

INTRODUCTION: WARFARE-WELFARE AS A SERIOUS SOCIAL PROBLEM FOR STUDY AND ACTION

by L. K. Northwood

Throughout the Journal reference will be made to "The Warfare/Welfare State." When the term is used by the editors it refers to activities and programs in the public (governmental) sector having to do with the growth, development, and interrelationship of two of the major institutional complexes of society, the military and the social welfare.

There are two major reasons for the term:

First of all, it signals the findings of current research, that nations having large military budgets also have large budgets for social welfare. Both welfare and warfare seemingly are necessary components of the modern industrial state.

Second, it embodies a central contradiction that exists for these nations: The goals and processes of social welfare are usually conceived as being in direct opposition to the goals and processes of warfare. Hence, attention is directed to many of the critical issues that are examined in this Journal. Some of the most important are: To what extent has there been growth in the military and/or social welfare institutions over time? What are the measurable effects of the growth and development of one institutional complex on the other, on the society at large? Who benefits and who suffers from such a development? Can typical social welfare services be provided under military auspices? What services, for whom and under what conditions? Above all, the imperative question is: Should the social, political, and economic development of the nation be directed toward the acquisition of overwhelming military power which will allow the state to enforce its will domestically and on the rest of the world, or should the state direct its efforts to the enhancement of the social welfare and to the equitable sharing of its national resources with less fortunate and "underdeveloped" nations of the world?

There are many popular characterizations of the United States and other major industrial nations: Warfare State, Garrison State, Pentagon Capitalism, Military Industrial Complex, Welfare State, Leading Imperialist Nation, Leader of the Free World, and so forth.[1] Our selection of the term, Warfare/Welfare State, in part, was motivated by the desire to avoid a polar typology which emphasizes one form of social development at the cost of minimizing the other.[2]

To be sure, there is a certain merit in emphasizing the difference between a Warfare State and a Welfare State. The social welfare can be defined positively in concrete terms which have a common meaning. Although there is no unanimity about the range of programs that are needed to provide for the social welfare,

most authors would agree that they include "government protected minimum standards of income, nutrition, health, housing, and education for every citizen, assured to him as a political right, not a charity."[3] The concept, Welfare State, can alsc be given an empirical context which is often lacking in the use of the ambiguous term "peace" which literally means the absence of war or freedom from public disturbances or quarrels. The Welfare State

> . . . is a state in which organized power is deliberately used (through politics and administration) in an effort to modify the play of market forces in at least three directions--first, by guaranteeing individuals and families a minimum income irrespective of the market value of their work or their property; second, by narrowing the extent of insecurity by enabling individuals and families to meet certain "social contingencies" (for example, sickness, old age, and unemployment) which lead otherwise to individual and family crises; and third, by ensuring that all citizens without distinction of status or class are offered the best standards available in relation to a certain range of social services.[4]

In short, the social welfare is something that can be measured empirically in contrast to the ambiguous qualitative state of peace. It spells out the social media through which the conditions of peace can be defined. The Welfare State is a tangible model for some of the necessary functions of the Peaceful State.[5]

However, such a dichotomy obscures the reality of the vital interconnections between warfare and welfare. Warfare and welfare are the realities of the modern industrial nation. Through the use of the concept, Warfare/Welfare State, the analyst begins to get at the etiology of social conflict and warfare. Universal provision for the social welfare can reduce the likelihood of conflict domestically and internationally.

Moreover, it is sometimes forgotten that "The Welfare State" had its origins in times of war and, in fact, has been characterized as a "war strategy." The Parliament of Great Britain commissioned Sir William Beverage to draw up a plan for the reform of social services in June, 1941, when the bombs were falling in the streets next to Westminster. The plan called for the maintenance of full employment, comprehensive free health care and rehabilitation services, and social insurance from the cradle to the grave. By 1945, the term "Welfare State" had achieved popular currency. Titmuss, the eminent welfare historian, characterizes this movement as "an imperative for war strategy . . . that the war could not be won unless millions of ordinary people, in Britain and overseas, were convinced that we had something better to offer than had our enemies--not only during but after the war."[6]

A similar movement occurred in the United States during and after World War II, based on broad social benefits to war workers and their families, and to the veterans. However, the outline of the "Welfare State" took shape somewhat earlier

and for somewhat different reasons. Romanyshin says that the "New Deal" measures of the 1930's

> . . . were designed to preserve the capitalistic system from total collapse.
>
> Establishing measures of income security, social legislation in this period also served to bolster a badly shaken economy and to preserve rather than dismantle the market system. One may indeed say that social welfare is, in part, the answer of liberal capitalism to the challenge of socialism.[7]

These welfare reforms during the war and shortly thereafter had vanished by the early 1950's when the New York Times reported: "It seems that apart from manifestations like social security, which have become so built into the structure that no one thinks of suggesting their elimination, we live under what might be described as a reluctant or emergency variety of the Welfare State."[8]

The broadening of social welfare programs is only one governmental response to unsettled conditions. Many nations have turned to other "solutions" which in effect lead to the aggrandizement of the military. The militarization of society may occur gradually and imperceptibly, rather than abruptly through such means as: maintenance of a part-time army or a large standing army as a "solution" to unemployment; increasing public investment in military hardware, the staffing of government offices with military personnel, including social services; the replacement by the military of institutions traditionally under citizen control; the exporting of the military goods and services, etc. All of these activities occur in the building of the warfare/welfare state.

Furthermore, it is evident that national goals are seldom set in advance with programs undertaken rationally step-by-step to achieve them. Rather, the goals gradually emerge as a residual product, as a characterization of the modal behavior of the society. Therefore, the modal behavior should be studied empirically together with a description of the types of activities and the processes that occur during institutionalization.

The residual product of the gradual institutionalization of military and social welfare programs and activities is The Warfare/Welfare State.

How This Issue Came Into Being

Every article in this issue is concerned with the effects of war on the growth and development of social welfare and/or the interrelationship of warfare and welfare institutions and is intended to serve as a continuing reference for social policy analysts, welfare professionals, and peace activists. The editors as well as many of the contributors have more than a detached interest in the warfare-welfare issue. They view warfare-welfare as a serious social problem, requiring continued

study, publication, and action.[9] Consequently, readers are encouraged to submit their comments and articles to the Journal for possible future publication.[10]

Moreover, in editing this special topical issue of the Journal, several steps were taken to encourage such a development.

First, several magazines and newsletters were requested to publish the "call for papers." Among those responding favorably were the editors of Society, Armed Forces and Society, and the newsletters of several professional associations representing sociologists, social workers, psychologists, problems analysts, and welfare historians.

Second, several dozen social policy analysts and peace and welfare activists were asked to comment about key issues in the warfare-welfare controversy. The findings are reported in the article edited by Kenneth Kirkpatrick and L. K. Northwood, in the following section.

Third, sponsorship of the Special Issue was requested of the Peace and Social Welfare Task Force of the National Association of Social Workers. The Task Force is an official body of the professional association comprised of the leaders of chapter committees engaged in pertinent local, state, and national affairs. Through its auspices several of the authors were encouraged to submit articles, and steps have been taken to publicize and distribute the topical issue. The Task Force is partially financed by the Institute for World Order, which is also collaborating on the project.

Fourth, a small editorial committee of three helped in all phases of the work and management of the project: Ann Blalock, Charles Maynard, and Kenneth Kirkpatrick. Blalock and Maynard are students in the University of Washington School of Social Work; Kirkpatrick is a leader in the peace movement, formerly a leading staff member of the American Friends Service Committee. Hubert Blalock, Roger Roffman, and Olga Northwood also served as readers of selected manuscripts.

Finally, a small grant was received from the Graduate School of the University of Washington to facilitate the project, and secretarial services were provided by Rexine Casey of the School of Social Work.

The format of the Journal is designed to implement its major purposes. In all, there are 39 contributors: 26 authors of 22 articles; poetry and graphics; and 18 respondents to the survey, five of whom are also authors.

Summary of Contents of Journal

I

The first section, "Crisis in the Warfare/Welfare State," largely provides documentation for the assertion that the warfare-welfare issue is a very serious social problem at a critical stage in its development.

We start with a review of the answers to the survey, edited by Kennth Kirkpatrick and L. K. Northwood. The survey respondents find that the struggle between the "haves" and the "have-nots" over the maldistribution of the world's resources remains unabated and unresolved. This struggle takes many forms: between social classes and ethnic groups, among nations and groups of nations. Despite the growth of massive warfare as in the case of Vietnam, there is still subscription to violence and militarism as "solutions" to these conflicts. National budgets continue to expand and divert needed resources from economic development and enhanced social welfare. The experts are almost unanimous in the belief that increasing armaments do not guarantee national security, and for the most part they do not see how one nation--even the most rich and powerful--can afford both guns and butter in the long run.

The same themes characterize the position of the Hon. Elizabeth Holtzman, Congresswoman from New York. Her testimony is reproduced in part from the debate of the recommendations of the Congressional Budget Committee for Fiscal 1977. The Holtzman Amendment, introduced in the debate, asks for more flexibility in the budgeting process, for the direct transfer of funds from one appropriations category to another, in this case from the defense budget to certain social program budgets. Both Holtzman and Congressman Mitchell of Maryland, who supported her in the debate, warn of dire consequences if Congress continues to ignore rising inflation, unemployment, and the fiscal crisis of cities.

Joseph Harris details the facts and figures of the New York City fiscal crisis. New York City is not alone in facing financial difficulties. Harris inquires into the reasons and causes of urban fiscal crisis. It is not because of "high living" in the cities; it is not because of mismanagement of welfare programs. Rather, for Harris, the fiscal crisis is an inevitable consequence of a state dominated by giant corporations and rigged to pay off for them. The resources of cities are drained off in the form of federal taxes and privileges for the rich To ease the crisis it will be necessary to restructure the economy and the political system. One of the needed first steps is demilitarization and transfer of the savings to domestic programs.

This is a theme that will be repeated over and over again in slightly different versions by many of the contributors; Adams, Dykema, Lo, Birchard, Dumas and Gil.

It is not simply an imbalance in warfare and welfare expenditures in the Warfare/Welfare State that brings about the crisis. The reasons pertain to the flawed principles that govern the production and distribution of the resources of the nation; they pertain to the fundamental nature of the capitalist enterprise.

II

The second section of the journal describes "The Rise of the Warfare/Welfare State." Two major lines of development appear in the six articles that comprise this section.

The first three articles (Peroff, Miller/Clark, and Clayton) examine the existence and magnitude of the warfare-welfare tradeoff in the United States and other nations. The warfare-welfare tradeoff refers to the proportion of the national resources that are allocated to military and welfare expenditures.

Kathleen Peroff holds that there is a tradeoff: where there are large national expenditures for the military, there is an undermining of welfare expenditures. Public aid programs are most undermined by defense with a lesser effect on health and housing programs. Peroff bases her conclusion on a sample of one nation, the United States from 1929-1971.

James Clayton compares the United States with the United Kingdom during a similar time span. He concludes that both nations have similar defense spending patterns, whereas welfare effort in the United Kingdom exceeds that of the United States. There is no statistically significant correlation between defense spending and welfare spending over time in either country, Clayton states. "Both defense and welfare have a life of their own and neither grows primarily at the expense of the other. . . . The limits of declining defense budgets (relative to the GNP) seem to have been reached in the U.S., but not in the U.K."

Leonard Miller and Marleen Clark sample a broader time span, ask more questions of their data, and derive their answers from a larger sample of nations. Their tentative conclusions are: that it is inappropriate to characterize the United States as a "welfare laggard" performing below reasonable expectations; that military spending does erode welfare spending, but not to the extent that international comparisons might lead us to believe; that in the long run the proportion of the families in the nation that are female headed and the proportion of the persons age 65 and older are better predictors of the size of the welfare effort than either changes in the unemployment rates or changes in the amount of military expenditures.

The authors of these papers demonstrate that it is no simple matter to establish a general theory of warfare-welfare tradeoff among nations that vary in political, economic, social, and cultural development. They are characterized by careful

methodologies of statistical reasoning: the selection of social indicators of "known" reliability and validity; care in sampling; explicit assumptions for estimating parameters derived from time series data; caution in generalization--that is, specifying where findings are based on the research at hand and where they represent less documentation. In general, these are technically sound papers, assembling the existing statistical information, and reporting limited "hard" results.

However, the reader will be well advised to consider the stringent limitations which inhere in the research methodology employed. For example, where quantitative social indicators are compared for a sample of nations, the analysis must be limited to the data which are available for all of the nations in the sample. Each nation's indicators must be comprised of similar information for valid comparison. The reliability of each indicator must be assessed before it is adopted. When comparisons are made over time as well as among many nations, these problems are compounded. Although population and economic statistics on which the social indicators are based have been gathered for a considerable period of time in the leading industrial nations, they are frequently reported in a form that makes analysis difficult and dubious. Military statistics, for instance, are often state secrets. National statistics are sometimes "rectified" after the fact and to suit national purposes.

Once identified and collected, the analyst faces knotty problems of interpretation from limited data. What time periods should be used in the analysis? How can the statistics of a particular nation be provided with a valid social and economic context? Which data may be used to provide context for a particular nation which are not common to the sample of nations? How are these particular data to be selected and interpreted? What kinds of statistical averages should be used? Are there distortions produced by averaging, and how are these to be indicated? These are just a few questions that must be answered in quantitative comparisons, as well as those of a more qualitative order.

The balance of the articles in the section are concerned less with the warfare-welfare tradeoff and statistical methodology than with the societal context which affects the growth and development of warfare and welfare institutions.

Paul Adams proposed a framework in which the relationship between war, the state, and social policy can be examined, using a comparison of the United States and the United Kingdom as examples. He shows how warfare and welfare are both essential to the growth of modern capitalist society. According to Adams, social welfare policy is a function of the "needs of capital" and the "struggles of labor and/or specially oppressed groups such as blacks or women." The impact of war on social policy depends upon the demands it places upon the state, and upon the balance of the class forces.

This framework is substantially different from that of Richard Titmuss, who has made a similar analysis. Titmuss postulates that the aims and the content of social policy are determined by the extent to which the cooperation of the masses

is essential to the successful prosecution of a war--the critical variable being the percent of individuals in the society used militarily to prosecute the war. A high Military Participation Ratio (MPR) will tend to result in both equalitarian and totalitarian (statist) outcomes, whereas a low MPR will widen social inequalities. Adams feels that MPR is only one of the variables to look at, and that Titmuss' conclusions are based too narrowly on WWII, and on two particular societies. Titmuss also fails, he says, to take into account the similar effects produced by non-military "social crises," in terms of a new level of state intervention into the economy and other sectors of a society, and of the response of the state and the elites to pressures from below. He implies that the competitive nature of capitalism, which generates unusual social costs, forces the "capitalist class" to strengthen the state to solve the problems created by these dislocations.

Analyzed within Adams' framework, contemporary limited wars on considered likely to involve a low MPR and to be socially regressive, as compared with WWII. However, he agrees with Titmuss that ruling groups in a class society will try to benefit the health and welfare of subordinate strata when the latter's demands can no longer be ignored. (The existence of such needs, however, is not of itself of any real influence on social policy.) He disagrees with Titmuss that the "state" in a class society represents the collective interest of the society. In fact he claims that the opposite is true, that the "capitalist class" and the "worker class" are inevitably in conflict, that social policy reflects the needs of the capitalist class for a healthy, educated, secure work force and for social order. Providing social benefits through the state if necessary--even at a short-run sacrifice--is capital's way of assuring proper accumulation. Social crises--war being one variety--tend to negate the characteristic separation of the "political" and the "economic" in a capitalist society, accelerating new "corporatist" trends.

The differences between the U.S. and Britain in social policy spinoffs (health and family as the primary examples) dramatize the different distribution of class forces in society. In both instances war exposed the weakness of existing arrangements, elicited an unprecedented level of state intervention in economic and social life. The main differences in impact were that Britain experienced a more severe war threat, a higher MPR, more thorough and long-lasting state intervention, more vulnerability in the capitalist class.

Both Adams and Clayton use the United States and the United Kingdom as examples in their analyses of the warfare-welfare issue. Therefore, a comparison of their findings is productive.

Like Adams and Harris, the two remaining articles in the section draw heavily on Marxist theory. Both of the authors, Christopher Rhoades Dykema and Clarence Y. H. Lo, base their papers on a critique of the political economy of monopoly capitalism. The inner contradictions and shortcomings of capitalist society are seen to lie at the roots of the social problems they analyze.

Dykema attributes the growth of social welfare institutions in the United States largely to the recurrent depressions and the inability of the economy either to

consume the products it produces or to provide steady work at living wages to a large sector of the population. This creates functions which the warfare and welfare institutions are expected to assume: the control of the impoverished subproletariat through the provision of marginal subsistence and the creation of jobs in the public sector; the maintenance of control over domestic disorder; the development of new markets for the excess productivity; the consumption (waste) of vast amounts of men and material through defense and war expenditures, etc.

Lo, on the other hand, described how similar contradictions in monopoly capitalism led to the domination of conservative political regimes headed by Eisenhower, de Gaulle and Nixon during the Korean, Algerian and Vietnamese Wars. He shows how these regimes pushed for reduction in social spending and a reassertion of national military and economic power, and were somewhat successful in mobilizing public support around this program.

Lo, like Adams, is much concerned with the impact of war on social policy and the development of social welfare programs. Both authors view social policy as kind of an ideology. Whether a war encourages progressive social policy depends both on the nature of the war and on the balance of the class forces in society, according to Adams. The new element that Lo adds to this analysis is the thesis that anti-colonialist wars produce inflation and fiscal crisis for the colonialist motherland and provide the opportunity for conservative elites to come into power. The conservative response to fiscal crisis during and after warfare is to drastically slash social programs, expand military programs, and increase the public debt. Lo's article helps the reader to understand the political forces that underlie the warfare-welfare state.

III

The third section of the journal contains four articles by social welfare scholars analyzing different facets of "Social Work and the Military." A recurring question is asked: can effective social services be provided under military auspices?

Ann Blalock and Charles Maynard in the lead article describe selected aspects of the military establishment in the United States and conclude that there are many problems intrinsic to the nature of military organization and its mission that prevent the full flowering of a "welfare state" under its auspices. There are serious shortcomings in the social security programs designed for servicemen and in military social services. They cite: inequities in income and occupational entitlements for minority and low income personnel, women and early retirees; difficulties in the provision of psychiatric and social services to military personnel and their families during and following wars. Many of the accepted professional standards for social and health workers are undermined and negated. In all, an uncertain future is predicted for any growth of the welfare state under military auspices.

George Ayers is similarly disillusioned with the social welfare efforts of the military establishment. His dissatisfaction stems from an analysis of two programs to facilitate the enlistment of military personnel, Project 100,000 and the Medically Remedial Enlistment Program, and one program, Project Transition, designed to provide educational, vocational and job counseling for enlisted personnel prior to release from active military duty. Ayers concludes that these programs were (a) unnecessary, (b) disproportionate in terms of resources expended to benefits received, (c) philosophically were not in keeping with either social welfare values or the values of the military establishment.

On the other hand, Walter Friedlander's article describing the origin and scope of social services for military personnel and veterans does not carry the negative connotations of the preceding articles. He points out that there are many opportunities for social and health personnel to ameliorate the conditions and problems of servicemen and veterans. There is also a substantial role for welfare organizations and agencies to assist in liaison, relief, and rehabilitation before, during, and after wars.

Quentin Schenk discusses a different theme. He examines the military presence of the United States in Ethiopia and some of its effects on the modernization of the economic and agricultural infrastructure of that country. He believes that the military presence was the single most important factor in accounting for the alienation of youth in Ethiopia, which in turn became the dominant factor for the current revolution in that country. U. S. military personnel were instrumental in helping to establish schools and a host of social programs. But they set a style of life and standards, which, Schenk asserts, were readily adopted by the elite youth with whom they were in contact. This in turn resulted in discontinuities and a rift in traditional patterns, and increasing opposition from the "old ruling class" to the entire program for modernization. Schenk raises several pertinent questions about the nature of military organization and whether it should or can become the advance agent for welfare reform.

IV

The 13 articles in the first three sections, taken in combination, document the first major thesis of the topical issue, namely: that moral, economic, and social crises are engendered when a predominant share of the resources of the society is allocated to military aggrandizement rather than to the amelioration of the social welfare. This deployment of resources is costly, wasteful, inefficient and self-destructive. It is impossible to sustain in the long run.

With the warfare-welfare problem thus defined, the final section of the journal is devoted to a second major theme, that there is much that can be done now and in the future by citizens, policy makers, social scientists, and social welfare

professionals to alleviate the situation. Four "Strategies for Defusing the Welfare State and Promoting the Welfare Society" are suggested in the final section and the articles grouped accordingly. The four strategies are: (a) converting the Military-Industrial Complex, (b) educating for non-violence, (c) imaging the future, and (d) legislative and political action.

The first article in the strategy section of the Journal is Bruce Birchard's "Human Security or National Defense: The Question of Conversion." Birchard undertakes the examination of five interrelated questions: (a) What is the scope of military spending in the United States? (b) What are the benefits of conversion from military to non-military? (c) What is the technical feasibility of conversion? (d) What are the obstacles to reconversion from a "liberal" point of view, from a "radical" point of view? (e) What strategies exist for change? Birchard is encyclopedic in his review of existing studies on the subject, many of which are entirely relevant but buried is hard-to-locate government documents. He indicates that there are many benefits in the conversion from military to non-military: money, production, and services are released for scientific and technological development and for meeting human needs; more jobs are provided; there is curtailment of waste and a lessening of inflation. Although the conversion to a peacetime economy is a complex, disruptive process, it is an entirely feasible one for which standby plans are already in existence. And there are already many documented cases of successful conversion experiences which are cited by the author. Birchard discusses conversion obstacles and strategies from the standpoint of "liberal" and "radical" ideologies. He gives several examples of these strategies.

Lloyd J. Dumas also deals with the nitty-gritty problems of conversion. He is particularly concerned with the technical and social aspects of the process: the retraining and reorientation of skilled workers and management; the retooling and relocation of selected industries to mitigate hardships; the need for advance planning, the mobilization of support services during the transition period; the nature of reeducation, publicity, and community organization programs that are required.

Dumas' paper also buttresses and goes beyond Birchard in its discussion of the economic effects of military spending. Military spending has contributed much to the economic deterioration of the United States in recent years, according to the author. Four interrelated factors account for this; the uneconomic nature of military goods; the wasteful nature of military procurement processes; the negative effect of military expenditures on the international balance of payments; and their baneful effects on technological development. It is for these reasons among others that Dumas advocates conversion to peacetime production immediately.

Both Birchard and Dumas, as well as Marion Anderson, whose paper appears in this section of the Journal, are keenly aware that without public support any conversion program is likely to fail. One of the major arguments used by the supporters of the military industrial complex is that it provides many jobs for American workers. It is this half-truth that Anderson cooly and rationally attempts to explore.

Through a detailed analysis of government statistics, she is able to demonstrate, state by state, that spending money on the military causes unemployment because fewer jobs are created for each billion dollars spent on the military than if the money were spent in any other way. It is through exposing such myths as this that Anderson believes the general public will come to accept peacetime conversion. Both Birchard and Dumas state the same theme in their papers, and Birchard, furthermore, describes a community action program for citizens concerned with this issue.

Another strategy for defusing the warfare state is the dismantling of armed forces and the proliferation of the philosophy of non-violence throughout society. Mulford Q. Sibley is an eloquent spokesman for this position. In his article, "Social Welfare and Some Implications of Non-Violence," Sibley postulates that the philosophy which guides social work is a non-violent one. He says: "Implicitly, the profession of social work is committed to the notion of non-violence in personal relations, else it denies its reason for being."

However, there are many sources in society which foster the practice of violence. One of these is the armed forces. Therefore, to build a non-violent, welfare-based society the armed forces must be reduced to a minimum. This can be accomplished by unilateral disarmament, if necessary. Sibley makes a strong case for unilateral disarmament and he indicates how the savings, thus realized, could be used for the social welfare and the improvement of the standard of living of people everywhere. The police would remain active as needed, though unarmed. Moreover, a nation could prepare itself for invasion by outside military forces by setting up a corps of community organizers and teachers of non-violent resistance who would instruct the citizenry how to cope successfully with invading or occupying forces.

Orabelle Connally provides a partial test for the viability of Sibley's general premise. She reports on non-violent resistance in the Navy during the Vietnamese War. To be sure, there are many differences between a ship's complement and the citizens in the open community. Connally has many questions about the feasibility and effectiveness of non-violent tactics for organizing resistance and promoting ameliorative change in this relatively restrictive setting.

The issue of non-violence appears in many different contexts. Elise Boulding deals with one of these in her article, "A Disarmed World: Problems in Imaging the Future." She refers to the relatively new field of future studies. The futurists, Boulding claims, have largely failed to deal with the issue of disarmament, and this draws into question any estimates of alternative futures they may make. Instead, images of the future appear in "the language of conquest: conquest of nature, of territories, of people, of ideas." Boulding proposes that a non-conquest imagery be incorporated in futurist models. She sees social welfare philosophy and practice as the source of non-conquest imagery and social welfare professionals as "Creators of Peaceable Futures."

David Gil has a much more pessimistic (and realistic?) view of the common roots of warfare and welfare. Warfare and welfare have "identical and complementary

functions, and both are rooted in identical societal values, institutions, and dynamics," according to Gil. Their underlying function is to serve as a balance wheel for social orders based on injustice, privilege, force, and structural violence. Consequently, there is no temporizing solution to the warfare/welfare state and its corresponding institutions. They must be abolished and replaced by

> "a coordinated, egalitarian, cooperative federation of self-reliant, free communities, each directing its own affairs and life style through genuine democratic processes, each guaranteeing to its members equality of rights and responsibilities, and all participating in exchanges of raw materials and human-created goods and knowledge on fair, egalitarian terms."

The final articles return to the strategies of political and legislative action, a theme which receives much attention throughout the Journal. Bertram Weinert calls for "Social Work Skills and Political Action in the Current Crisis." Ann Blalock proposes that increasing numbers of social workers have the expertise and are in positions where they can influence warfare-welfare priorities through the new Congressional budgetary process. Both articles are realistic about the many obstacles that will have to be overcome to affect changes in the Warfare/Welfare State. They are also realistic in their estimate that such changes will not come about spontaneously. Social workers and their constituents have a vested interest in the provision of greater social welfare benefits. The authors believe that professionals can make a significant contribution to reform.

Toward Further Research on the Subject

At the time when the "call for papers" was issued, the editors of this Journal asked eighteen social policy analysts the following:

> "What questions should be dealt with in order to put the warfare-welfare issue in proper focus? Given the broad scene of the subject, which aspects do you believe should be given priority in research, study, and action?

We report the results of this survey. Our reason for doing this is to draw attention to some topics given insufficient attention in the Journal, and to encourage prospective authors to submit manuscripts for a future edition. First, the results of the survey are presented; then the topics receiving insufficient attention are identified.

Three priorities for research, study, and action on warfare-welfare issues are identified by the respondents:

1. On the militarization of the United States and its social consequences: The statement of Alfred McClung Lee permeates the commentary of many of those answering:

"War has been an integral part of our national life every year since the United States came into existence. It has long been the principal focal point of our Federal budget. Especially since we embarked on a series of thrusts towards international imperialism and even worldwide hegemony beginning with the Spanish-American War, the United States has come to resemble more and more a latter day Roman empire, adapted to the exigencies of our day's technology and world conditions. I should like to see research aimed at discovering steps of any sort that would reveal and offset the militarization and imperialization of our society."

Some respondents, such as Sanford Gottlieb and Albert Schrekinger, propose that the militarization of the United States should be measured in terms of the nature of the threats faced internationally and domestically. Schrekinger asks:

"What dangers to national and international security are inherent in continuing the "military-industrial-complex" values and policies guiding our national government, particularly since the end of World War II, particularly during the past decade?"

Gottlieb assigns first priority to research undertaken to determine the nature of the threats, their reality, and their societal consequences.

2. On the symbiotic relationship of warfare and welfare institutions: William Gamson, Mulford Q. Sibley, and Edward Snyder, and others propose that the highest priority in research be given to the kind of role the United States wants to play in the world and the kind of society we should develop at home.

"Is there a symbiotic or competitive relationship between the welfare system and military-industrial complex? What would be the implications of given reorientations of American military and foreign policy on the welfare system in the U.S.? In what way, if any, does the existing military and foreign policy of the U.S. place constraints on the welfare system other than those arising from consuming scarce resources? What would be the implications of given reorientations of the welfare system for the military and foreign policy of the U.S.?" (Gamson)

"Priorities should include: questioning the notion that military 'defense' defends; questioning whether, within the premises of the present economic system, we can provide enough 'welfare,' even if we cut military expenditures; efforts to study whether large military establishments give any kind of guarantee against invasion; serious consideration of non-violent resistance and of unilateral disarmament." (Sibley)

"The outlines and cost of various alternative foreign policies, including peace through law and the role of non-violent resistance, should be investigated. There should be a realistic examination of the concept of 'sovereignty' and the extent to which world interdependence is already an inescapable fact." (Snyder)

3. On strategies for change: Richard Levy, Lloyd Dumas, David Gil, Albert Schrekinger and others stressed that the focus of research, study and action be placed on strategies for change rather than upon the abstract analysis of the sources of abuse.

> "The focus should be on developing strategies for change. Such a strategy can, of course, only begin with a clear understanding of the source of the problem, but it must also contain suggestions on ways to change the situation for it to be useful.
>
> In terms of specific questions I would be interested in articles on: how to increase mass awareness of the costs of military spending (both economic and social); analysis of the position of unions in defense plants on changes in the defense budget and what types of arguments could be used to eliminate the dichotomy between the long and short term interests of these people, etc." (Levy)
>
> "There are three key points: (a) to make clear the enormous cost of high levels of military spending in terms of goods and services foregone, and in terms of social and economic deterioration--'economic costs'; (b) to focus on the clear demonstration that the present size of the U.S. military is far in excess of what is required for national security purposes and may actually be counterproductive regardless of the size of the military forces of our adversaries--'military realities'; and (c) that conversion from military to civilian orientation of our economy is perfectly possible without generating serious economic and social difficulties--'conversion feasibility'." (Dumas)
>
> "The foremost question is survival through restructuring our basic institutions of resource management, work organization, rights distribution and governance in accordance with genuinely democratic, egalitarian, and libertarian values. Within this question there are many details to be worked out. Beyond that question we have to deal with matters of strategy: How can people discover what their real interests are and how to move toward them." (Gil)
>
> "What major changes need to and can be made in developing domestic U.S. priorities, particularly in regard to 1) reconversion of the economy from 'warfare' to purposes meeting human needs, 2) effective utilization of limited energy resources, and 3) protection of the environment." (Schrekinger)

In each of the priority areas, additional research is needed. A few examples are cited:

1. The warfare-welfare priorities of a nation are frequently expressed in its budgetary and fiscal policies. While the national budgetary and fiscal policies are referred to in many papers included in this Journal; nowhere is there a careful analysis and critique of the technical research shortcomings of

these procedures. Such an analysis should be grounded in the social organization of the national budgeting process. It should deal with how information actually flows in the system; who has access to the information and who does not; how the message is shaped and channeled at each stage; whom information is reported to or not reported to; how the information is used and with what effects. Such a social analysis could facilitate the assessment of the reliability and validity of information used in studies of warfare and welfare. And it could have strategic implications for ameliorative intervention. Those who control the flow of information in society become the shapers of existing myths and facts on which social policy is based. An open information system is one of the pillars on which scientific knowledge and representative democracy rests. Therefore, clarification of the technical and social processes which govern information flow is essential to knowledge of the warfare-welfare issue.

2. The Journal is also lacking in detailed papers concerning the psychological and social effects of war and the effects of war on the society and its members. Although many of the papers touch on this subject, there is need for more profound analysis. It is alleged that war and the threat of war have important social consequences for the existing norms of society, especially as concerns beliefs about violence, scapegoating, and ethnocentrism. Moreover, it is alleged that there has been a diffusion of military protocols and behavior into the civil order, particularly in the arena of law and justice, industrial organization and management, and the control or guidance of the mass media. It would be useful to have careful studies of the subject.

3. A valid social science depends upon a representative sampling of behavior in space and time. Detailed case studies are needed of nations and comparisons among nations of what happens to social welfare institutions when warfare results in the devastation of home territory as well as depletion of resources. We would hypothesize that national survival takes precedence and military expenditures dominate under such conditions. But what happens during the period of maximum devastation when war prevails? What happens in the post-war period? Is there a substantial difference for the "victors" in a costly devastating war than for the vanquished? What happens if there is a major transformation in the social, political, and economic structure of the nation? The proposal for investigation is that a sample of nations be selected and rank ordered according to the relative costs and consequences of the war for each nation. Then detailed case studies are made of the growth, development, and changes in the social welfare institutions, i.e., the warfare-welfare tradeoff. Such a strategy of research is needed to rectify or validate the findings of Peroff, Miller/Clark and Clayton which are based on a single (atypical) nation or a limited sample of relatively homogeneous nations, which employ statistical techniques that average out major differences within or among nations, and which fail to assign appropriate weights to the costs and consequences of wars on a particular nation's social development.

4. For the most part, the authors in this Journal believe that it will take at least a well organized political party or a politically conscious coalition of

citizen and welfare groups to change the warfare-welfare priorities of the nation. However, with few exceptions, notably Birchard and Anderson, they have little to say about the nitty-gritty of effective organizational strategies. Therefore, there is need for such research.

The editors invite you to join in the dialogue.

FOOTNOTES

1. A sampling of the literature might include these references: Richard Barnet, The Economy of Death. (New York: Athenium, 1969). Sidney Lens, The Military-Industrial Complex. (New York: Pilgrim Press and National Catholic Reporter, 1970). Milton Mankoff, "Power in Advanced Capitalist Society: A Review Essay on Recent Elitist and Marxist Criticism of Recent Pluralist Theory," Social Problems 17, 3 (Winter, 1970) pp. 418-430. Seymour Melman, Pentagon Capitalism, the Political Economy of War. (New York: McGraw Hill, 1970). Charles Moskos, Jr., "The Concept of the Military-Industrial-Complex: Radical Critique or Liberal Bogey," Social Problems 21, 4 (April, 1974) pp. 498-512. Gunnar Myrdal, Beyond the Welfare State: Economic Planning and Its International Implications. (Hartford: Yale U. Press, 1958). Marian L. Palley, The Coming Welfare State. Special issue of the American Behavioral Scientist, 17, 4 (March/April, 1974). Michael Tanzer, The Sick Society: An Economic Examination. (New York: Holt, Rinehart, Winston, 1971). Harold Wilensky, The Welfare State and Equality: Structural and Ideological Roots of Public Expenditure. (Berkeley: U. of California Press, 1975).

2. Eighteen social policy analysts were asked the following questions by the author: "There are many popular characterizations of the United States--as a warfare state, welfare state, warfare-welfare state, military-industrial complex, leading imperialist nation, leader of the Free World, and so forth. Do you see any utility in such characterizations? In your opinion, which one of these phrases best characterizes the U.S. today as a political, economic, and social entity?" Of those responding, 10 said they saw little utility in any of the characterizations. Several, however, indicated that they would consider the U.S. a warfare-welfare state (5 mentions), leading imperialist nation (4 mentions), advanced industrial society (1 mention), leader of the "Free World" (1 mention).

3. Harold L. Wilensky, "The Problems and the Prospects of the Welfare State," preface to the paperback edition of Harold L. Wilensky and Charles N. Lebeaux, Industrial Society and Welfare. (New York: Free Press, 1965), p. 9.

4. Asa Briggs, "The Welfare State in Historical Perspective," in M.N. Zald, Social Welfare Institutions. (New York: John Wiley, 1965). See also: N. Buzlyakov, Welfare, the Basic Task: Five Year Plan. 1971-1975. (Moscow: Progress Publishers, 1973.)

5. Of course, the Peaceful State has other requirements than to provide for the social welfare, such as political democracy, productive efficiency, cultural enhancement, and so forth. See David Braybrooke, Three Tests for Democracy: Personal Rights, Human Welfare, Collective Preference. (New York, Random House, 1968).

6. Richard M. Titmuss, Essays on the Welfare State. (Boston: Beacon, 1969), p. 82. See also: Walter Friedlander and Robert Apte, Introduction to Social Welfare. (Englewood Cliffs, N.J.: Prentice-Hall, 1974), Fourth Edition, pp. 41-44.

7. John M. Romanyshin, Social Welfare: Charity to Justice. (New York: Random House, 1971), p. 159. See also: Melville Ulmer, The Welfare State. (Boston: Houghton Mifflin, 1969), p. 27.

8. Saturday, August 21, 1954, p. 8.

9. Jerome G. Manis, "Assessing the Seriousness of Social Problems," Social Problems, 22, 1 (October 1974), pp. 1-15.

10. In fact, the present issue grew out of a paper presented at the annual meetings of the Society for the Study of Social Problems in San Francisco, 1975. See L. K. Northwood, "Warfare-Welfare as a Serious Social Problem for Study and Action," (unpublished).

EIGHTEEN LEADING SOCIAL CRITICS COMMENT: WHAT IS THE REAL THREAT TO WORLD PEACE AND SOCIAL SECURITY?

Edited by Kenneth A. Kirkpatrick and L. K. Northwood[1]

What is the real threat to world peace and social security? Is it the prevalent ideology of violence, aggressive nationalism, and militarism? Or is it the maldistribution of resources, technology, and social welfare benefits? How much of its national budget must the U.S. allocate to military expenditures? How can the national budget priorities be changed so there is a more realistic funding of social programs? Do we face as great a threat of nuclear annihilation in the '70's and the '80's as we did in the early '60's?

These are some of the questions the editors asked of 96 "experts" on the warfare-welfare problem. In all, 18 persons responded to the invitation, including 22% of the social scientists (N=11), 10% of the writers and editors (N=1), 25% of the executives of peace organizations (N=5), 10% of the elected government officials (N=1), and none of the military leaders. The names and affiliations of participants are indicated on the following page.

The report that follows faithfully attempts to reproduce the opinions of these respondents on five of the questions asked. Other findings of the survey appear elsewhere in the Journal.

QUESTION 1. Despite the ending of the war in Southeast Asia and a general lessening of tensions among the major world powers, there has been a great increase in military expenditures in the United States. How much of its national budget must the U.S. allocate to military expenditures to guarantee its security in the world today-- What is your estimate?

National security by military means is no longer a viable policy for the United States. With few exceptions, this is the strongly held opinion of the experts on warfare-welfare problems who responded to the survey. It is their estimate that modern weapons systems, e.g., intercontinental ballistic missiles carrying thermonuclear warheads, cannot defend this country from attack because if such weapons were used they would inevitably bring about retaliation and our demise. Furthermore, they say that the present U.S. policy of thermonuclear deterrence is a constant threat to our existence and the survival of the human race. It is unable to give us or others a sense of security. In fact, the fear of technological breakthrough generates a continuous search for new weapons of increasing destructiveness which create an escalating and immensely costly nuclear arms race.

One of the erroneous assumptions underlying the present commitment to building a vast military machine is that national security is exclusively or even primarily a military matter. These respondents consider a society with a strong economy and dedicated to social justice of prime importance. In this perspective, national

PANEL OF SURVEY PARTICIPANTS

The Honorable Joseph S. Clark
Chairman, Members of Congress
Peace Through Law

Giovanni Costigan, Professor Emeritus
Department of History
University of Washington

Lloyd Dumas, Professor
School of Engineering
Columbia University

Walter Friedlander
School of Social Welfare
University of California, Berkeley

William Gamson, Dept. of Sociology
University of Michigan

Herbert Gans, Dept. of Sociology
Columbia University

David Gil
Florence Heller School for Advanced
Studies in Social Welfare
Brandeis University

Sanford Gottlieb
SANE

Steve Gulick, Chairman,
Peace Committee
Pennsylvania Chapter,
National Association of Social Workers

Joseph Harris
Research Director
Labor Research Association

Morris Janowitz
Department of Sociology
University of Chicago

Admiral Gene LaRocque, U.S.N., Ret.
Center for Defense Information

Alfred M. Lee, President
American Sociological Association

Richard Levy
Department of Sociology
University of Michigan

Pauline Rosen, Coordinator
National Center to
Slash Military Spending

Albert Schrekinger,
Professor Emeritus
School of Social Work
University of Nebraska

Mulford Q. Sibley
Department of Political Science
University of Minnesota

Edward Snyder, Executive Secretary
Friends Committee on National
Legislation

security is more likely to be realized in a society which treats people in a fair and humane way than one that is committed to a "will-o'-the-wisp" search for national security by ever-increasing military expenditures. A fair and humane society would serve as a model for other countries to emulate.

There are many risks associated with a national policy of thermonuclear deterrence, according to the respondents, such as hidden, irrational, or accidental attacks and theft by terrorists or hostile governments. With the proliferation of nuclear

weapons, there is decentralization of control and a greater risk of human error and miscalculation.

The respondents estimate that military expenditures need to be cut drastically by: $25 billions (Gulick); $30 to $40 billions (Clark); $57½ billions (Dumas and Rosen); and $75 to $85 billions (Gamson and Snyder). Herbert Gans suggests a cut in the military budget by over 90%--this would mean a reduction for the Pentagon (not including military-related expenditures) from its present $113 billions "to $5 to $10 billions." But he points out that such a recommendation is "mere fantasy" because "no leader has enough power to neutralize his or her own military establishment, and my fantasy ignores the geopolitical and other group factors that push nations into war or belligerence."

David Gil and Mulford Sibley recommend that no funds at all be provided for military purposes because the armed forces today are unable to guarantee the national security. In addition, Mulford Sibley notes that one major obstacle preventing such a turnabout is our enslavement to "the mythology that military violence and its threat can somehow provide security for human beings and democratic institutions." Also:

> "With the elimination of the armed forces, all expenditures budgeted for military functions in the national budget should be transferred to functions meeting genuine human needs at home and abroad." (Gil)

However, Morris Janowitz suggests a relatively small cut of $7 to $8 billions. This would mean, according to his view, that the Pentagon's budget would be "reduced over the years ahead to 6 or 7 percent without endangering national security."

Others call for an immediate cut of $40 billions in military spending and the elimination of two specific programs: the multi-billion dollar weapon systems, the B-1 Bomber and Trident (missile) submarine (Clark).

Still others did not specify the amount of military cuts, and Albert Schrekinger cautions that military spending is larger than it appears. For example, many military and military-related programs (e.g., veterans' benefits, about 80% of the national debt, etc.) are hidden under other categories in the Federal Budget.

> " . . . about two-thirds of our national budget have been allotted to the military in recent years, and that the Nixon-Ford administration has been juggling figures to support their false contention that there has been an increasing share of our national budget for what they call 'human resources.'"

Several examples are cited:

> "Payments from Social Security trust funds have been included under the latter heading [human resources]; so have also been payments to war veterans, while money expended for military purposes in interest for war debts and for the space program has been juggled away from the 'defense' designation."

In summary, the consensus indicates the need to reduce significantly military and military-related (hidden) expenditures in the Federal Budget. The reason is evident: the present U.S. overkill posture not only would destroy our adversaries but also ourselves and the rest of the world. Moreover, a decision to use such weapons, according to the respondents, would be an insane decision that would bring down upon us and the rest of the world Armageddon.

Therefore, it becomes a primary goal to end the arms race, to support peace initiatives for meaningful cutbacks in arms production and stockpiling.

QUESTION 2. Given the quantity and distribution of world resources, do you think it possible for any single nation by itself to provide for both its social security and national defense at the same time? Is the policy of both guns and butter a feasible one for the United States today?

Only two respondents give an unqualified positive response to this question: Walter Friedlander's affirmative answer is with no further comment, but Morris Janowitz adds:

> "The U.S., or any advanced industrialized society, could adequately provide both for Social Security [social programs] and national defense. This is especially the case for the U.S., where the basic issue is that of reducing unemployment and especially increasing the proportion of the gross national product allocated to investment and capital goods. In the developing countries, the task of raising the standard of living is staggering, but in no sense is it critically related to the level of military expenditures in those countries. Reduction in the level of military expenditures would be desirable but would hardly produce the necessary changes in the social and political institutions of these countries required for effective societal change."

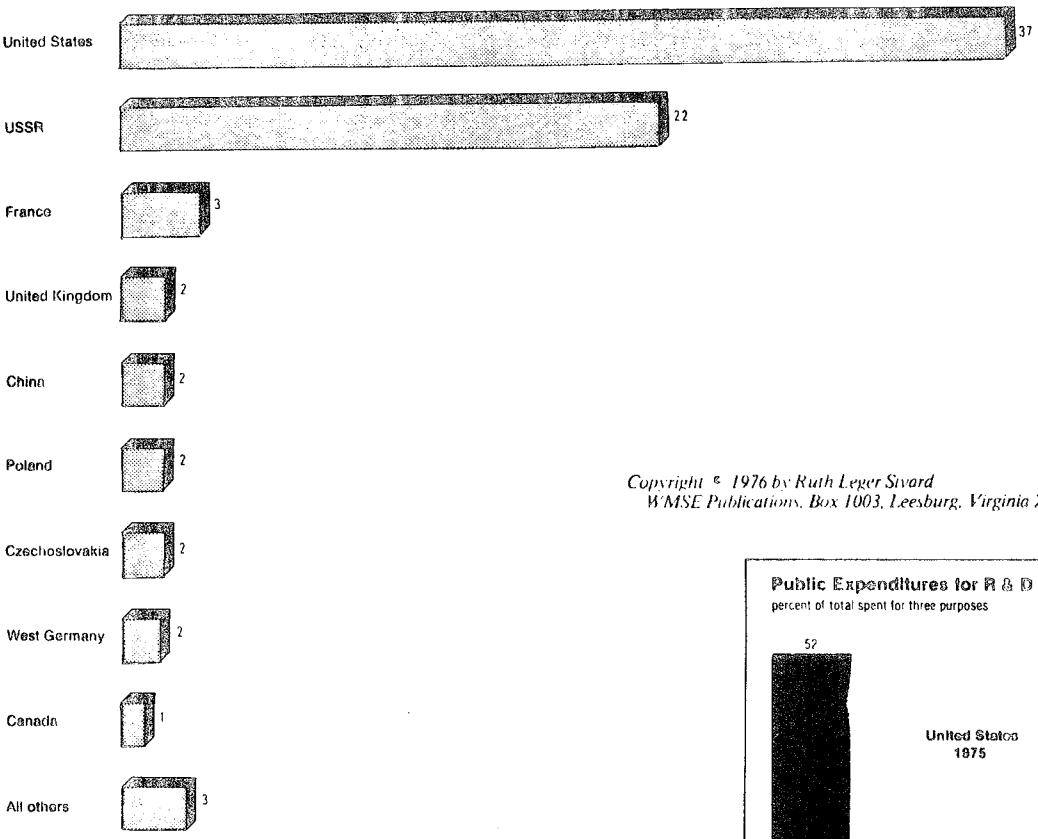
Associated with several other ostensibly affirmative answers are comments which significantly change their initial positive responses. An example of this is:

> "The key to doing so [providing both adequate social and military security], however, is understanding realistically which level and composition of expenditures on military forces are actually <u>effective</u> in providing good military security, and which are either useless or counterproductive. Presently the military sector commands far too great a share of the nation's limited resources. A policy of 'unlimited guns and butter' is not feasible for the U.S. today--but a policy of 'security and butter' is." (Dumas)

Alfred Lee and Pauline Rosen believe that providing both adequate social and military security might be possible for the U.S. for a limited period of time. But both agree as military expenditures escalate, social programs are crippled or wiped out. Very recent experience seems to bear out this contention:

Major Arms Exporters

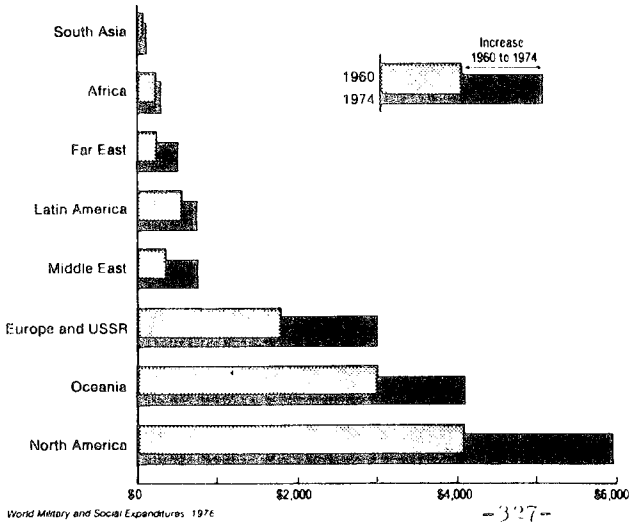
billion dollars, cumulative 1961-1974



World Military and Social Expenditures 1976

GNP per Capita, by Region, 1960 and 1974

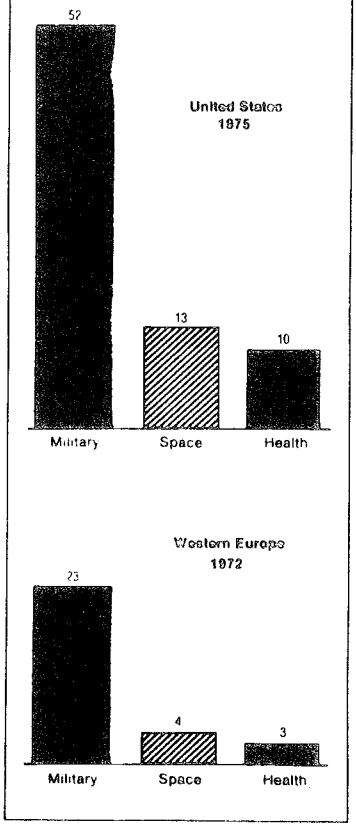
1973 dollars



World Military and Social Expenditures 1976

Public Expenditures for R & D

percent of total spent for three purposes



World Military and Social Expenditures 1976

"Guns and what they control become progressively more costly and lead to the loss of colonial and neocolonial controls as well as to the destruction of the nation's own internal morale. Our Korean and Vietnam ventures have, for the time, taught a lot of rank-and-file Americans how costly such imperialistic efforts are, but our politicians do not appear to have ceased being tools of international adventurers." (Lee)

Nine respondents give an unqualified "no" to this question. Their general reasoning is:

"No country, even the richest, can realistically undertake a military/foreign policy of playing world policeman and running an arms race in nuclear weapons, and, at the same time, meet complex domestic needs. In theory, guns and butter are possible. In practice, guns prevail because governments generally are willing to pay for the resources--both physical and human--that go into military preparations." (Gottlieb)

"Without regard to other nations, I believe the U.S. can provide for both its social security and its national defense at the same time if, and only if, national 'defense' is not national 'offense'. Assuredly, the continental limits of the U.S. can be adequately defended, while at the same time, provision can be made for the legitimate social and economic requirements of our people. In the classic sense I do <u>not</u> believe that we can have both guns and butter." (Clark)

The remaining seven respondents state explicitly that a policy of both "guns and butter" is not feasible, appropriate, or politically possible for the U.S. (Gil, Gulick, Harris, Snyder, Sibley, Costigan, and Schrekinger) Sibley identified the basic incompatibility between the two policies:

"Guns, whether possessed by individuals or States, are a heart-thrust at welfare and bread and butter. The gun mythology so characteristic of the United States, whether in the form of so-called military defense or in that of individual weaponry, simply has to be eroded. We have to choose between guns and butter. But it should not be a difficult choice since guns cannot feed us, clothe us, house us, or protect us."

In summary, with only two exceptions, the respondents believe that it is not possible to have an adequate military defense and provide for the social needs of the American people. Adequate military defense and provision for social needs are in irreconcilable conflict because human and natural resources are limited.

Most respondents realize that military defense in the thermonuclear age is not only prohibitively costly, but also there is no defense against such barbaric instruments of indiscriminate mass destruction. With this recognition, these respondents advocate moving resources from the military to the civilian sector. They make a priority choice for using scarce resources to meet some unmet social and economic needs

of tens of millions of Americans and billions of our neighbors. The results of such efforts would bring some semblance of social justice on the planet in which we all live.

QUESTION 3. Is it possible to have an equitable redistribution of the world resources without recourse to war and the threat of war?

All respondents answered in the negative. These answers, however, reflect two different but related ways of looking at the question. One perspective emphasized the need for major changes by peaceful means of the status quo to effect a more equitable distribution of the world's resources, but recognized that such changes are unlikely because of the political climate and related factors. (Clark, Costigan, Dumas, Friedlander, Gamson, Harris, Levy, Rosen, and Schrekinger)

The other perspective stressed the reactionary nature of modern war. War not only serves to perpetuate present inequities, but also creates many new ones. (Gil, Gottlieb, Gulick, Janowitz, Lee, Sibley, and Snyder)

Only in a theoretical or abstract sense can this question be answered positively; when political and related factors are weighed, the question must be answered negatively. This conclusion was reached by our respondents because they believe that an equitable redistribution of the world's resources is realizable only in a reconstituted international framework. Numerous statements represent this view:

> "It is entirely possible to have equitable distribution of world resources without recourse to war or threat of war. However, this will take far more skillful multi-lateral diplomacy than either the U.S. or the countries of the Third World are engaging in at present. In essence it requires a far stronger role in international affairs by the U.N." (Clark)

> "Theoretically, it is perfectly possible [to have an equitable redistribution of the world's resources], but this would involve international planning and cooperation on a scale that seems unlikely at present." (Costigan)

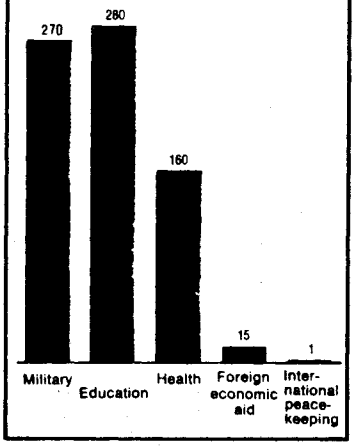
> "It is economically possible through the development and expansion of mutually beneficial, non-exploitive trade, and some international transfers, though considerable time may be required. But as to whether it is politically possible, that is a different matter entirely." (Dumas)

The theoretical versus the practical dichotomy is echoed:

> "It is possible to have an equitable distribution of the world's resources without recourse to war, if the international community could move rapidly toward a New International Order which guarantees to all nations the right to develop and use their own resources." (Rosen)

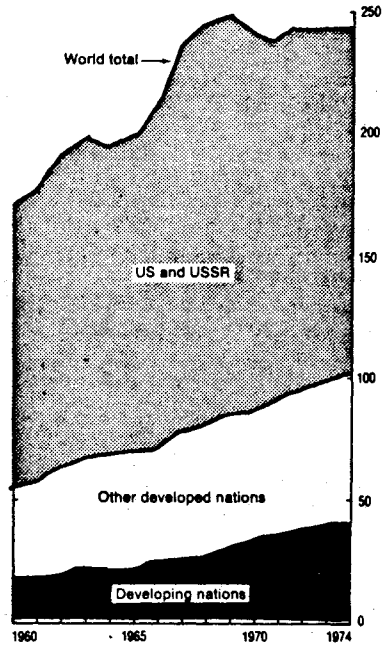
World
Public Expenditures, 1974
billion dollars

In 1974 only education, by a narrow margin, took more public revenue than arms programs. Public spending for the health care of 4 billion people was 60% of military spending. World economic aid was under 6%, international peacekeeping outlays far less than 1% of military expenditures.



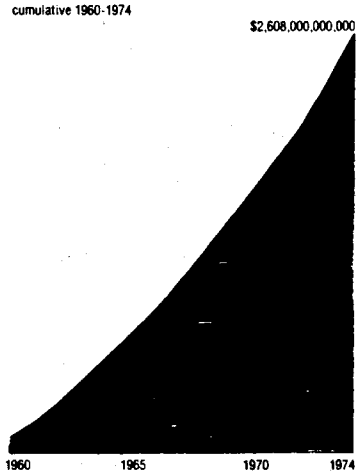
World Military and Social Expenditures, 1976

Shares of World Military Expenditures
billion 1973 dollars

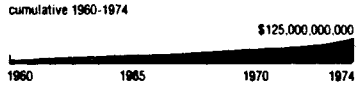


World Military and Social Expenditures, 1976

World Military Expenditures
cumulative 1960-1974

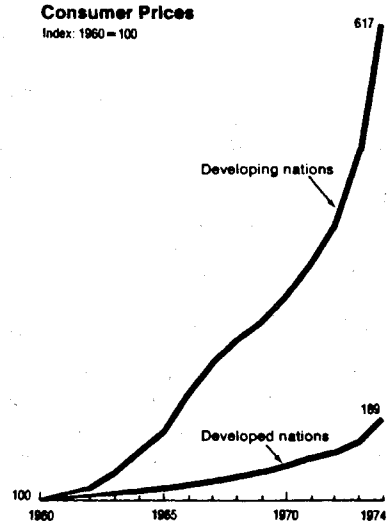


World Economic Aid
cumulative 1960-1974



World Military and Social Expenditures, 1976

Consumer Prices
Index: 1960 = 100



World Military and Social Expenditures, 1976

The lack of an appropriate consensus and the absence of the necessary world institutions to bring about an equitable redistribution of the world's resources are clearly recognized, but few respondents attempt to identify what needs to be done to make this possible. However, they do not hesitate to condemn modern war because its results would destine the human race to a new form of barbarism where even more gross disparities of wealth would exist between nations than at present.

According to Lee:

> "Given the nature of the principal power centers of the world, it is highly unlikely that an equitable distribution of world resources can come about without recourse to war. Such a war would be of such destructive and revolutionary magnitude that it would achieve results far different from those presumably sought. It would probably return humanity to a lower technological level of barbarism than the present one."

The double-edged nature of the modern war machine is well-stated in this brief quotation:

> "In the age of nuclear weapons, recourse to war would likely destroy many of the resources themselves. The threat of war will likely lead to widespread waste of resources in needless military preparations." (Gottlieb)

The validity of the first statement in the above quotation is easily understood, but the same thing cannot be said about the last statement. Even if the world is lucky enough to avoid a man-made catastrophe, humankind is still faced with the spectacle of unimaginable amounts of both natural and human resources being ravenously devoured by an unsatiable war machine which is not under rational control.

War and the threat of war require huge military expenditures and a resulting drain not only on this country's but also the world's limited resources. The dimensions of waste are better understood when considering the amount of human and natural resources expended not only in waging war but also in maintaining the Nixonian "structure of peace." War seen in this light becomes of primary concern to the conservationist; not only war, but preparations for war, are conservation issues.

Joseph Harris believes the present U.S. economic system and related foreign policy are the primary barriers preventing the shift of resources from the rich to the poor countries:

> "Equitable redistribution of the world's resources from ownership and control by large corporations to the control of the working people of each nation is possible, but not inevitable, without recourse to war and threat of war . . . If the U.S. government could be forced to keep its hands off other nations, peaceful change would become the rule rather than the exception."

And, along similar lines:

> "In the abstract it would be possible to distribute . . . the world's resources equally. However, in fact, large amounts of these resources are controlled by different countries and different multinational corporations which have demonstrated that they are unwilling to give up their fiefdoms without resort to violence. Therefore the answer . . . is no, although the source of violence will be found in those who already dominate world resources and who will seek to expand their control of them." (Levy)

Lloyd Dumas and William Gamson offer a glimmer of hope for change by peaceful means of the present imbalance of the world's resources:

> "If we are talking about a pure redistribution of resources, that would require that these individuals living in the more developed countries would have to voluntarily undergo considerable reduction in their own standards of living in order to enhance the material quality of life of people in the less developed countries. It seems doubtful that they would ever do so, and it is difficult to blame them for offering resistance. However, if, instead, we are talking about the convergence of the standards of living in the world's nations over time by faster growth of the less developed relative to the more developed countries . . . a supporting consensus could be developed peacefully and without coercion. I don't know that such a consensus should be expected to develop automatically, but it certainly could be developed.
>
> "It would also be helpful to put greater emphasis on the developments of technologies associated with resources which are already fairly equitably distributed. Solar energy is probably the outstanding example. Sunlight is probably the most equitably distributed and abundant energy resource available. It cannot be monopolized, cartelized, or otherwise restricted or embargoed, either internationally or intranationally. The full development and dissemination of solar technology would provide even resource-poor nations with at least the critical energy resources required for economic development and the continued operation of modern technical society." (Dumas)
>
> "War is unlikely to be the means for redistribution of the world's wealth because the have-nots are unlikely to fare very well in such conflicts, given that they are militarily weaker as well as poorer. Probably the best hope for redistribution comes from internal movements and forces within the peaceful and wealthier countries." (Gamson)

QUESTION 4. Do you think that nuclear annihilation is and will be as great a threat in the '70's and '80's as it was in the early 1960's? Is civilian defense against nuclear annihilation possible?

Of the 16 respondents answering this question, 13 believe that the threat of nuclear war will be as great (4) or greater (9) in the 1970's and 1980's as it was in the 1960's. Only three thought it would be less of a threat; the reason given is the lessening of tensions between the U.S. and U.S.S.R. (two of the respondents specifically mentioned detente). But two of these respondents believe that nuclear proliferation is increasing the danger of a nuclear war being launched by smaller nations who have recently acquired nuclear capability in the form of licensed nuclear power plants provided by the established nuclear powers.

The 13 respondents who see imminent dangers in the present thermonuclear arms race cite numerous reasons for the heightening of world tensions and the ominous threat of nuclear destruction. They range from mistrust of present leadership and attitudinal changes toward nuclear war to current nuclear strategies. Of the threat of nuclear war, Senator Joseph Clark makes this observation:

> "This is because of the short-sighted and stupid diplomacy on behalf of not only the Soviet Union and the U.S. but also of the many of the dictatorships in other nations . . . I call attention to the statement of five nuclear scientists at MIT and Harvard, who recently declared the threat of nuclear warfare is increasing, not decreasing."

Paralleling the above statement, Richard Levy says:

> "As long as people like Nixon, Ford, and Kissinger are in a position to plunge the world into nuclear catastrophe, the possibility of such an occurrence cannot be ignored. With regard to the U.S., I feel the change in Administration will make little difference in the likelihood of nuclear war: Kennedy brought us to the brink in Cuba; Kennedy, Johnson, Nixon, and Ford all viciously bombed Southeast Asia. Nixon perhaps was more dangerous in some ways, due to his mental instability; Ford, on the other hand, is perhaps more dangerous because of his 'quiet' conservatism and his desire to be 'resolute', e.g. the Mayaguez slaughter."

Lloyd Dumas comments on the significant attitudinal changes occurring during the past three decades which have increased the dangers inherent in the present nuclear arms race:

> "It seems as though people, having lived with nuclear weapons longer, have become less afraid of them. An entire generation, not yet born at the time of the [atomic] bombings of Hiroshima and Nagasaki, has grown to maturity. Children in their infancy at the time of the Cuban Missile Crisis are now in their mid-teens. The trauma of the conventional war in Vietnam diverted attention from the nuclear arena for the better part of a decade. All this may have led to a combination of ignorance and diminished fear of nuclear annihilation which is not justified by hard military and political reality."

Several respondents emphasize the recent dangerous shift in U.S. nuclear weapons strategy. The comments of Admiral La Roque and Lloyd Dumas are illustrative:

> "In addition to building increasing numbers of new weapons, the Pentagon has initiated a series of significant and dangerous changes in U.S. nuclear weapons' doctrine. These doctrinal changes will make nuclear war more likely and increase the danger. . . . The new U.S. nuclear doctrine involves, first, increased emphasis on counterforce and the desirability and possibility of fighting small nuclear wars, and second, increased emphasis on possible first use of both strategic and tactical nuclear weapons in response to aggression in Europe and Asia. The idea of limited counterforce wars--or a selective limited Soviet first strike against a few U.S. missile silos--and a comparable U.S. response--is an extremely dangerous idea. There is no way nuclear war can be kept limited. . . . We and the Soviets have no actual combat experience with such wars, and the idea that we can actually fight such a war is the product of academic theorists with no significant military experience. . . . The U.S. has no way of determining that a nuclear attack is in fact limited, and military prudence would likely result in rapid escalation of such a limited war." (La Roque)

> "The resurrection of the strategic doctrine of 'counterforce' or 'pre-emption', i.e. first strike destruction of enemy [nuclear] weaponry, has clearly increased the danger of general nuclear war. The easiest way for an enemy to assure that its deterrent (or first strike) force will not 'be destroyed' by a pre-emptive attack is for it to launch its weapons before the attack force arrives. Thus, the brilliant counterforce strategy has merely succeeded in providing an incentive for the enemy to move its finger closer to 'the button' and to press it more readily when serious confrontation occurs. . . . In addition, scenarios and strategies for fighting 'limited' nuclear wars have apparently proliferated despite the fact that no one has yet been able to offer a persuasive logic for how such wars can be prevented from degenerating into all-out nuclear holocaust. But the more we play with these limited war scenarios, and the more we fantasize about being able to fight limited and hence 'acceptable' nuclear wars, the more we are at risk of fooling ourselves into believing our own fantasies. Under these conditions the 'unthinkable' act of purposely precipitating a nuclear war becomes 'thinkable', and this is an extraordinarily dangerous situation." (Dumas)

Several other factors are seen as perpetuating the fears and anxieties associated with the continuing nuclear arms race: the increasing numbers of nuclear weapons, with more people having access to them; the increase probability of accident, miscalculation, and unauthorized use. (Gottlieb, Janowitz, Rosen, and Snyder) Also, Alfred Lee believes nuclear annihilation is not only "likely to become a greater threat, but it is likely to be linked with even greater horrors still germinating in our laboratories, possibly in the areas of novel poisons and diseases."

Several respondents refer to civilian defense, but in several instances there is a lack of clarity on what that term means. In these cases the term "civilian defense" is interpreted as civil defense. The latter, of course, is commonly understood to mean comprehensive planning and preparations for protecting a civilian population from nuclear attack by planes or missiles. Gorman, Gottlieb, Janowitz, and Snyder unanimously agree that civil defense cannot protect a nation from nuclear attack, in fact may even tend to provoke it. This point is dealt with by Edward Snyder:

> ". . . A determined civil defense program might well make an attack more likely if viewed by the 'enemy' as part of a first-strike policy. If by 'civilian defense' you mean a nation organized along lines of non-violent resistance, that policy might well prevent a nuclear attack from occurring and be at least as feasible a way to defend against aggression as the present bankrupt military defense policy."

A similar view of civilian defense is embraced by Mulford Sibley:

> "The only hope against nuclear annihilation is the destruction of this mythology [of the efficacy of military violence] and reliance solely on non-violent means of 'defense'. Non-violence means--the promotion of justice and the organization of non-violent resistance--cannot guarantee security, to be sure, but they are far more compatible with it than threat of military violence. The question is one of where we pin our faith. Both reliance on violence and reliance on justice and non-violence involve acts of faith and a measure of uncertainty. On the basis of historical experience, however, it seems to me that reliance on justice and non-violence is a more justifiable faith than confidence in military might."

All respondents recognize the immense dangers involved in the present nuclear arms race and see the risks increasing unless there is a reversal of present policies. Several concrete proposals are made to reduce the level of present nuclear stockpiles and the number of delivery systems. Albert Schrekinger proposes:

> "There is an increasing threat to life on this planet, even from the proliferation of 'peaceful' uses of nuclear energy, until safe ways have been found for the operation of nuclear plants and for the disposal of nuclear waste. To safeguard human and any other life on this planet, first a world-wide moratorium on any kind of further construction of nuclear energy plant is necessary. Simultaneously, serious steps must be taken towards complete universal disarmament as the top priority in the gradual complete disarmament, as a vital part of the development toward an international order of peace and welfare. In the meantime, international compacts need to be made for effective controls against <u>any</u> abuses of nuclear devices for violence against human beings."

The Hon. Joseph Clark lists several initial steps:

1. A comprehensive nuclear test ban.

2. Elimination of all land-based nuclear delivery systems and their warheads.
3. Both U.S. and U.S.S.R. make drastic cuts in nuclear-armed, missile-carrying submarines (eventually leading to the destruction of them).
4. Stop all trade in arms to other countries.

A third list is made by Admiral Gene La Roque:

1. All nuclear powers renounce the use of such weapons against countries that do not possess them.
2. A "no first use" agreement among the present nuclear powers.
3. The U.S. should announce that under no circumstances will it be the first to use nuclear weapons.
4. Both the U.S. and U.S.S.R. take immediate steps to limit and reduce their stockpiles of nuclear weapons.

QUESTION 6. How can the national budget priorities in the United States be changed so that there is a more realistic funding of social programs?

Eleven of 14 respondents believe that a political movement or new political party is necessary to bring about changes in national budget priorities to provide adequate funds for social programs. Present priorities are determined by groups which shape and control the decision-making processes; thus it is possible for them to promote their interests successfully. However, there is no common agreement of how these processes work.

Some tend to see power residing with established institutions and political structures; others see power abiding with less clearly definable groups which are outside or marginal to the established political processes. Regardless of these differences in perception and analyses, all believe that if you want to determine budget priorities then it is necessary to be in a position to influence these priorities by having access to the decsion-making processes; access, of course, is not limited to being a part of the formal power structure. Clark, Costigan, and Janowitz believe significant changes can be achieved by working through the established political parties and structures.

> "The national budget priorities can be changed only by the strongly expressed will of the people, manifested in the elections for Congress, the Senate, and the Presidency." (Clark)

In contrast, "broader political processes" are seen as necessary for social change and the desired budget priorities. William Gamson believes that the process involves ". . . more than electoral and other established institutional means, and includes social protest and social movements as well." David Gil expresses this view:

"Changes require a political movement committed to work for them for a long time. Social systems are intrinsically conservative. To overcome a prevailing order, one has to overcome the dominant consciousness and definitions of interest of the people which maintain it. This is an extended process."

Sibley and Lee believe that a new political party or a different economic system are vehicles for social change:

This ". . . will probably require a broadly based new political party no longer tied to the cliches and evasions of the two major parties. The party will have to be divorced from the war machine and will have to be critical of the citadels of an economy which is not designed primarily to serve human needs. Basically, the party should be pacifist." (Sibley)

"As long as our elected officials depend upon special interest donors to win elections, our national budget priorities will continue to represent--as they do now--those special interests. The situation can only be changed through democratizing the control of the means of production and of the means for the provision of services in this country. That means a change to democratic socialism." (Lee)

The need for a broad political movement or a new political party is also shared by Gans, Gulick, Harris, Levy, and Schrekinger.

Eleven respondents emphasize the important role of public education in reshaping national budget priorities. Sibley describes how this would work:

"Only by a vast expansion of our educational efforts, particularly in the adult education area [will the desired changes take place]. This will entail the efforts of millions of unpaid persons and considerable sacrifices of money and time. Essentially, we have to debunk certain mythologies while at the same time building the constructive case for a welfare society. . . .

". . . Most of us, in one way or another, still labor within the framework of such mythologies as that military defense defends; that somehow there is something wrong about making 'welfare' central; that human beings must be goaded by threat of starvation to get them to work; that all technological development benefits mankind."

Two important problem areas where concentrated educational efforts are needed are identified by Gans:

"First, . . . every society develops the social programs that benefits its dominant power blocs. In the U.S., the business community is surely still one of these blocs, and it gets plenty of the social programs that benefit it, i.e. low taxes, tax loopholes, and government subsidies. Second, I do not

think there will ever be sufficient political support for social programs of the kind you ask about until people discover that such programs are essential to them--either being deprived of them, or by obtaining them at a very high quality, as they define quality. Until then, people will continue to think of government spending as waste and as a deduction from income they can spend privately."

One of the sources of undue political influence not specifically mentioned, but assumed by the respondents, is the military establishment. How the military influences the political processes in this country is one of the important questions that need to be answered; it is of primary concern of individuals in groups working for social change in this country. Former Senator J. W. Fulbright several years ago wrote of the influence of the Pentagon on public opinion in his book, The Pentagon Propaganda Machine. This study not only needs to be brought up to date, but also new ground needs to be broken. Some examples are: What roles do retired officers' and veterans' organizations play in promoting military spending? What role does the C.I.A. play in our domestic politics in promoting the need for a strong U.S. military posture? How can we get our Congressmen or Senators to vote against military appropriations when many of their constituents hold jobs directly or indirectly supported by such funds? How can we get rid of this self-perpetuating system (the tie between Congress, the Pentagon, and the people)? What roles do institutions and associations (Chambers of Commerce, Unions, Professional Organizations, Trade and Defense Contractors' Associations, Universities and Colleges, and many others) play in moulding public sentiment in support of a big military establishment?

[1] The charts in this article are reproduced with the permission of the author, Ruth Leger Sivard, World Military and Social Expenditures, 1976 (WMSE Publications, Box 1003, Leesburg, Virginia).

A MOMENT OF TRUTH IN THE WARFARE-WELFARE DEBATE:
THE TRANSFER AMENDMENT
BY HON. ELIZABETH HOLTZMAN

A "moment of truth" occurred on Capitol Hill in Spring, 1976, according to Tristam Coffin, veteran journalist and editor of The Washington Spectator.[1]

"Very occasionally, the murmuring, restless, oblong hall that is the U.S. House of Representatives seems to stall in time and, unexpectedly, there is truth and wisdom. Loud conversations on the floor abruptly cease. The drowsy press gallery wakes up. The Speaker looks up from his letter-reading. The figure at the microphone is no longer a puppet droning out empty words, but an oracle.

"Such a moment took place during the House debate on the budget and passed unnoticed by the media, which are not geared to catch and record human passions as they attack the cold facade of government.

"The drama began when Rep. Elizabeth Holtzman (D-N.Y.)--young, serious, dark-haired, a member of the Budget Committee--offered an amendment. The idea, she explained, was to increase by $2.5 billion 'the money for desperately needed programs here in the U.S., and to accomplish this by moderating the enormous growth of the military budget. The budget resolution contains the largest increase for military expenditures in peacetime in our history--an increase of $11 billion in the budget authority and $8.7 billion in outlays.' She said those who want this military increase do so because they believe we are threatened by events in Angola, Portugal and Italy. Miss Holtzman added in despair: 'Do the proponents of this increase really expect us to believe that adding $11 billion to our military budget can compensate for 50 years of dictatorship in Portugal, for three centuries of colonial oppression in Angola, and for 25 years of corrupt political parties in Italy? . . . There is nothing in the $11 billion increase that signals to anyone that we are going to be any more sympathetic to the needs of people for self-determination, any less supportive of oppressive dictatorships, or any less tolerant of corrupt regimes abroad. Military hardware alone is no substitute for a sensible foreign policy, and it is about time we acknowledged that.'"

The controversy over the budget is much more than a debate about how much should be spent in 1977 on the military, or social programs. It is more than a struggle between two branches of the federal government--the legislative and the executive--over which body should determine the national priorities. Ultimately questions are raised about the viability of the democratic planning process in the warfare/welfare state, and how the people--the governed--can be adequately represented in the process. All of these issues are touched on explicitly or implicitly by Congresswoman Holtzman in the debate (although, to be sure, she was most concerned with improving the flexibility of the budgeting process). For these reasons, the discussion is worth preserving.

The Holtzman Amendment lost 317-85 with 30 not voting. However, the warfare-welfare controversy still remains with us. As the military budget continues to increase, with a consequent lessening of resources available for social development, the crisis will be sharpened.

DISSENTING VIEWS OF HON. ELIZABETH HOLTZMAN[2]

I cannot support the First Concurrent Resolution on the Budget for the fiscal year 1977, because it fails to deal with the most serious (national) problems and locks the Federal government into military expenditures that will shortchange domestic needs for many years to come.

The purpose of the Congressional budget process was to give Congress an overview of Federal revenues and expenditures, and enable it to develop a constructive alternative to a President's budget. The Congressional budget, it was hoped, would control spending and be more responsive to the needs and concerns of all Americans than recent Executive budgets.

This resolution fails to live up to that promise. Instead, it would commit the country to a massive and unjustifiable increase in military spending, and as a result, to a reckless neglect of human needs. Except for employment and energy, there is no real program growth in domestic functions. The resolution also continues wasteful and inefficient programs, and fails to stop the loss of revenues through our inequitable, loophole-ridden tax structure. In sum, this budget resolution does not offer a genuine alternative to President Ford's shortsighted and distorted national priorities, but only a mildly altered, moderately improved version of the same thing.

I. Increased Military Spending

The Budget Committee's central failure is in its recommendation of an enormous and unprecendented increase in defense spending, for which the Committee received no justification.

The Committee proposes to increase military spending by $11.8 billion in budget authority over fiscal 1976 levels. This is the largest peacetime increase in our history. It includes a 21% increase in weapons purchases: $3.6 billion to offset inflation and $8.3 billion for real growth. This is by far the largest real program growth in the Federal budget. The result is a budget in which military spending accounts for one-quarter of all spending, almost 50% all Federal revenues not earmarked for trust funds, and 70% of all "controllable outlays."[3]

No real need for this level of military spending was shown to the Committee, Instead we, and the entire country, were subjected to a persistent scare campaign

about "dollar gaps," "American determination," and the like. Neither the empty slogans, nor the specific increases authorized, can withstand close scrutiny.

Defense Department arguments boil down to a plea for increased military spending allegedly to meet Soviet increases. The fundamental fact remains, however, that the U.S. nuclear deterrent is second to none, and that overall Russian military strength does not and will not surpass our own.[2]

The country has learned in the past few years that claims of "national security" have been used as a pretext for a great many administration crimes. It is unfortunate that the Budget Committee did not recognize that the same spurious claim has been used as a pretext for unnecessary and wasteful military expenditures.

If the increase in military spending cannot be justified by comparisons between Soviet and American strength, does it make sense in terms of the programs funded? Again, the answer is no. A 7.2% increase is allowed for inflation, despite the fact that inflation is anticipated at only 5.5%. $1.4 billion goes to the ordering of four SSN-668 Nuclear Attack Submarines. However, as one Committee member noted, 28 of these submarines are already on order; not one has been delivered; and the last one is not scheduled for delivery until 1983. What conceivable need is there to order four more in 1977? Another $1 billion goes to the unnecessary B-1 bomber which may well be obsolete before it is built. The list could go on and on.

The Committee noted that the Defense Department now has about $70 billion in unexpended balances on hand. Under this resolution, the unspent funds will rise to $84 billion by the end of fiscal 1977. If the Defense Department cannot spend the money it already has, and if it cannot spend the new money it is getting, why is this new money needed?

If, as many members of the Budget Committee recognized, increased defense spending has no military justification, why has it been approved? The answer given was to "send a message" to the Russians, et al. I believe this budget does indeed "send a message"--that a weak President worried about a right wing political challenge is willing to panic this country, this Committee, and the Congress into a pointless arms race and a dangerous neglect of national problems. That message, I fear, offers far more comfort than concern to our adversaries.

II. Neglect of Human Needs

The trade-off between military spending and domestic needs has produced a budget that provides for no real growth in most existing domestic programs. They are budgeted at or below the inflation rate. Education, for example, is budgeted at a 6% increase over 1976 levels, barely keeping pace with inflation. General revenue sharing receives only a 2.9% increase--totally inadequate in the face of inflation and recession. Non-mandated health programs, such as family planning, bio-medical research, and health training, are given a 3.2% funding increase, despite a projected 10%-15% inflation rate for health costs.

In addition to starving existing programs, this resolution contains no new initiatives (except for token gestures toward studying national health insurance and full employment programs). It fails to deal with the nation's unconscionably high levels of illiteracy and infant mortality, the poverty and despair of our elderly, inadequate public transportation, the rapidly rising crime rate, and the lack of decent affordable housing.

The Budget Resolution commendably includes funding for the creation of approximately 1.1 million jobs. I supported this important effort at reducing unemployment. The Committee projects, however, that unemployment will still be at 6% by the end of 1977--a level that would ordinarily indicate a severe recession.

Perhaps the most disturbing omission in this resolution is the absence of any effort to rescue and rehabilitate America's financially strapped cities. New York City's fiscal crisis is only the most visible example of the desperate condition of our urban areas. Boston, Chicago, Detroit, Philadelphia, and others all face the steady erosion of their revenue bases, the decline of municipal services, and an ever increasing tax burden for remaining businesses and middle class taxpayers.

I offered an amendment to allow the Federal government to begin assuming 75% of total AFDC costs. My amendment would have provided $1.5 billion to help relieve the inequitable burden which welfare places on our cities. The Committee, however, rejected my amendment, putting off once again any substantial attempt to deal with urban problems. Unless these problems are confronted in the near future, America's cities will become empty, poisonous wastelands a few years down the road.

III. Waste, Inflation and the Deficit

The Budget Resolution projects an inflationary and unacceptable $50 billion deficit for fiscal 1977. We are already paying a high price in interest charges for past deficit spending and will be paying an even higher price in the future. Interest on the national debt has risen from $16.6 billion in 1969, when Richard Nixon took office, to $41.4 billion this year. It is projected to reach $50 billion by 1981.

In spite of the burden that the deficit places on current and future budgets, no real effort was made to eliminate wasteful and unnecessary expenditures. The budget contains, for example, $1.4 billion for various commodity support programs, $1.3 billion for the space shuttle, and $100 million to build a new American Embassy in Moscow. Surely these, and many other programs, could have been cut, postponed, or eliminated entirely.

Military waste heads the list. I offered an amendment to cut $9.8 billion from the President's defense budget request. This would have allowed Defense an increase to account for actual inflation, as well as 2% in real growth, but it would have required any additional growth beyond 2% to come out of departmental savings. This would have forced the Defense Department to cut the fat out of its budget, but the amendment was defeated.

Cutting military spending would also have reduced its uniquely inflationary effect. Defense spending increases money in the hands of consumers but does not add to the useful goods and services produced by the economy. The result is aggravated inflationary pressure as more dollars compete for the same amount of consumables.

The Committee could have lowered the deficit by eliminating various tax expenditures --the tax "loopholes." It is estimated that the Treasury loses $100 billion a year because of various tax preferences. In addition to reducing revenue, tax expenditures shift the burden of Federal taxation from business and the wealthy to working people. In the past decade, while payroll taxes have increased from 22% to 30% of total Federal revenues, corporate taxes have declined from 23% to 16%. The Budget Committee has done nothing to offset this growing dependence on regressive taxes.

IV. The Mortgaged Future

This year's military budget will produce continued starvation of domestic programs and deficit spending for years to come. The massive defense increase is only a downpayment on future expenditures. The budget funds the initial procurement of several major weapons systems, including the B-1 bomber, Trident submaries, and counterforce missiles, as well as a substantial shipbuilding effort. These programs will cost more than $90 billion over the next five years.

The following table demonstrates the consequences of this commitment:

FIVE-YEAR IMPLICATIONS OF FISCAL 1977 BUDGET
(In Billions of Dollars)

	1977	1978	1979	1980	1981
Total revenues	363.0	401.0	448.0	497.0	550.0
Outlays:					
Presently mandated[1]	188.9	210.1	224.8	237.8	250.1
For defense[2]	92.2	100.5	109.6	119.4	130.2
All other programs--no growth	132.5	132.5	132.5	132.5	132.5
Total outlays	413.6	443.1	466.9	489.7	512.8
Surplus/deficit	-50.6	-42.1	-18.9	+ 8.3	+37.2
Adjustments for inflation "all other programs"					
Category: Medicare		3.4	7.0	11.1	15.8
Medicaid		1.1	2.1	3.1	4.2
Grants to States		2.0	4.0	6.1	8.3
Veterans benefits		2.0	2.9	4.0	5.0
Civilian agency purchases		1.0	2.1	3.2	4.3
Federal employees pay		5.1	10.5	16.2	22.1
Total inflation adjustments		14.0	28.6	43.7	59.7
Potential deficits		-56.1	-47.5	-35.4	-22.5

[1] Interest on the national debt, social security, SSI, etc.

[2] Excluding military retirement pay. Outlays assumed to rise at 9% annually (rate recommended for this year).

The table shows that increasing military spending will force health, education, state and local aid, and other domestic programs to remain at their 1977 levels in order to avoid a deficit. If these programs are allowed to keep pace with inflation, the result will be large deficits over the next five years. These deficits will occur without spending one dollar on program growth or new initiatives.

The Committee's approval of increased military spending, thus, forces us to choose between continued large deficits and neglecting pressing domestic needs for many years. I cannot concur in this decision to mortgage our nation's future.

Conclusion

The Budget Resolution is substantially improved over the president's budget. It rejects his proposed cuts in a number of domestic programs; it makes a real commitment to reducing unemployment. But much more needs to be done before we have a budget that is truly responsive to America's needs in 1977 and for years to come.

THE HOLTZMAN AMENDMENT AND EXCERPTS FROM THE DISCUSSION[5]

Mr. Chairman, I propose to amend the budget resolution by increasing by $2.5 billion the money for desperately needed programs here in the United States, and to accomplish this by moderating the enormous growth of the military budget.

This budget resolution contains the largest increase for military expenditures in peacetime in our history--an increase of $11 billion in budget authority and $8.7 billion in outlays.

My amendment also allows an increase over last year's military budget, but one that is more consistent with our real needs for a strong military defense.

Mr. Chairman, let me add at this point that this amendment is introduced as well on behalf of the gentleman from Michigan (Mr. Conyers) and the gentleman from New York (Mr. Ottinger). . . .

Let me summarize what my amendment would do. It would:

First, lower this resolution's increase in military spending by $2.5 billion in outlays and $7.5 billion in budget authority--that is, allow 2 percent for real growth over last year and 5.5 percent for inflation;

Second, provide $1.5 billion to States and localities to help pay for welfare costs, thus saving or creating 127,500 jobs;

Third, make available $200 million for mass transit construction--a program kept at 1975 levels--providing 15,000 jobs;

Fourth, create 33,000 jobs by adding $200 million to the job opportunities program;

Fifth, provide $100 million to create 29,000 jobs for senior citizens;

Sixth, add $100 million to bring Federal anticrime aid up to 1976 levels;

Seventh, make available $200 million for direct loans through the Small Business Administration, creating 33,000 jobs;

Eighth, provide $100 million to assure that biomedical research, health training, and other health programs can operate at 1976 levels; and

Ninth, increase the opportunity for needy students to attend college by adding $100 million to work-study and other higher education programs. . . .

It is also time to send a signal to the American people--a signal that we can respond to their hopes and dreams for this country and not unwarranted fears created by election year rhetoric. Let us send a signal in this budget that we believe Americans are entitled to walk their streets without fear, entitled to a fair chance for useful work, productive jobs, to the opportunity for good education, to adequate health care, to improved mass transit, to decent housing, and to solvent state and local governments.

Mr. Chairman, without my amendment crime-fighting programs will be cut below last year's levels, biomedical research will be cut, training of health professionals will be cut, construction of new mass transit systems and purchases of new mass transit equipment will be cut, job training for senior citizens will be cut, college programs for low-income students will be cut, and we will not create an adequate number of jobs to deal with the serious unemployment in this country. By what logic do we cut these programs and then turn around and say to the American people that we want to send a wasteful, costly, extravagant signal at their expense to our enemies?

My amendment brings all of the programs I mentioned before up to last year's levels in terms of inflation. It will also add a substantial jobs component, through senior citizen employment programs and SBA direct wars. It will also create jobs in areas of high unemployment, through title X of the Economic Development Act. . . .

Perhaps most significantly, my amendment begins to address the problem of the insolvency confronting our cities and localities. The present welfare system imposes an extraordinary burden on States, cities, counties, villages, and towns. This sector of the economy has been one of the hardest hit by the present recession. Let us be

frank to acknowledge that somebody has to foot the bill for welfare costs. The real question is: Who is going to foot the bill? Is it going to be the cities, counties, and States which have the narrowest tax base and the severest fiscal problems? Or should we place the responsibility for this national problem on the Federal Government which has the resources to bear the burden and distribute it equitably?

My amendment, Mr. Chairman, would do the latter. It would allow the Federal Government to begin paying 75 percent of welfare costs around the country. This will prevent cutbacks in local services and layoffs or provide relief to State and local taxpayers; 29 States would get at least $10 million as a result of my amendment and 17 States would get over $20 million.

Everyone has been talking about welfare reform and it seems to me that we should begin to deal with this problem in this resolution instead of waiting until October 1977, the start of the next fiscal year. . . .

Mr. Chairman, let me point out as well that the jobs created through my amendment will be substantial. My amendment will provide, under the Older Americans Act, employment for 29,000 needy senior citizens and rescue them from the prospect of welfare. It will create about 31,000 jobs through the Job Opportunities Program and about 15,000 jobs through mass transit construction. We will create about 33,000 private sector jobs through expansion of the SBA direct loan program. Finally, we will create or save approximately 127,500 jobs by having the Federal Government pick up a larger portion of welfare costs from States and localities. . . .

We have the opportunity through this amendment to do what the Budget Act originally promised--to set priorities in our budgetary process that reflect the real needs of the American people and direct Federal spending to meeting these needs.

There is no justification for an extraordinary growth in the military budget which starves domestic programs and prevents us from engaging in new initiatives to deal with the problems of the recession, the devastation of our cities, the plight of our elderly, among others. I would urge that we take this opportunity to begin to realize the promise of the Budget Act. . . .

Mr. John L. Burton: The provision of the gentlewoman's amendment that would transfer welfare costs in a greater degree to the Federal Government will provide more economic relief for local governments in this Nation than will any revenue-sharing program and that will allow them the flexibility of raising their own funds and spending their own funds. That is an area where those who are concerned about local government should be concerned about their property tax paying taxpayers who would have this burden taken off their backs by the assumption of this, in lieu of building a couple more missiles that do not do much in the way of providing for property tax relief. . . .

Mr. Mitchell of Maryland: Mr. Chairman, my colleagues, on yesterday when we were debating the Giaimo amendment, my colleague from Florida (Mr. Gibbons) made a very forceful and dramatic presentation against any further cuts in the defense budget. The burden of his argument was that in order to prevent war, he would rather make an error on the side of "waste" or over-spending rather than see this country find itself short of the wherewithal necessary to protect our national security.

I listened very intently to the gentleman from Florida (Mr. Gibbons) yesterday. It was a very forceful and dramatic speech. What I would like to do is take his argument and turn it around in terms of national security in this country. For a long period of time I have been insisting and maintaining that the threat to America, the real threat to democracy, does not lie in the Soviet Union or in the Peoples Republic of China, nor does it lie anywhere outside the geographic boundaries of this country. The most grave and real threat to democracy is found within the boundaries of this country, and it is found in this situational mosaic which I shall attempt to lay out.

When we have people who, year after year, do not get fitted into the economic system, they become alienated from our system of government, and sooner or later that alienation is going to reflect itself by one means or another. I think the danger to the democratic process in this country--indeed, the danger to the country itself--lies in the fact that we have permitted structural unemployment to persist in this country since 1930; structural unemployment for blacks and other minorities, structural unemployment for our young people.

I think the danger to this country lies in the fact that, somehow or other, despite the best efforts of this Budget Committee, we did not start off with a zero-based budget so that we could place need against income, hurt against income, want against income. We did not do that. We were almost forced to accept the normal budgeting process, and as a result, despite the best efforts of the chairman--for whom I have a great deal of admiration, as I do for all the members of the committee--this Budget Committee has not yet gotten into the business of establishing priorities. Let me give the Members just one other illustration of what I am talking about.

If any of the Members have read Karl Marx--and I suggest that they read him, not to subscribe to his theories, but to know who the ideological opponent is. If they read Marx they will know that somewhere in his writings he says that in order for capitalism to survive there has to be an unemployed reserve in this country. He states it very simply.

When I look at the persistent structural high rate of unemployment found within America, particularly for blacks and for other minorities, I am forced to conclude that what we do here is to give some element of credence to that Marxist theory. I know that no one in this House wants to do that, but to the extent that we do not address the real needs of this country, that theory unfortunately assumes a greater validity in the minds of many people.

Mr. Chairman, let me say that I have supported the budget, the work of the Committee on the Budget, and I will continue to do so. However, let me also say that as long as I am on that Budget Committee I will work as arduously as I can to begin to establish real priorities for this country. We cannot continue along the same road that we have been following without inviting disaster, not from without but from within.

I urge support of the gentlewoman's amendment. . . .

Ms. Holtzman: Mr. Chairman, I would like to ask the gentleman whether the problem is not only that we have failed to address the real needs of the country today in this budget, but that the enormous increase in military spending locks us in to starving domestic programs for many years to come? One of the real problems that confronts us now is that the implications we make today will affect the choices we make next year and the year after and the year after that. My amendment cuts an additional $5 billion in budget authority which gives us the room in the next few years to begin to address some of the human needs we have here at home.

Mr. Mitchell: The gentlewoman is absolutely correct. If my colleagues will recall, yesterday, in the discussion on the Giaimo amendment, I attempted to point out that the present level of spending for the defense category will, over the next 5 years, cost us somewhere around $159 billion. If that is true--and indeed it is true--it means we are going to inevitably have to cut programs necessary for the survival of the people in this country.

I think that the gentlewoman is absolutely right. Few Members of this House are paying attention to the long-range impact of the President's defense budget.

Mr. Chairman, I would certainly again reiterate my support for the amendment offered by the gentlewoman, and I urge my colleagues to do so. . . .

Ms. Holtzman: Mr. Chairman . . . I am deeply disturbed that the budget we are presented with this time fails to carry out the essential promise of the Budget Act--to set congressional priorities and to address the serious problems facing this country.

Perhaps part of the problem was that the Budget Committee's starting point was wrong. The process was distorted because we were confronted with and started from the President's budget, which called for enormous military increases and tax reductions for corporations and wealthy individuals to be financed essentially by massive cuts in domestic spending and increases in social security taxes.

The committee, I think, did an obvious and important service for the Congress in rejecting most of the President's proposals, but that only left us no worse off than we were before.

The committee did commendably add an important measure to stimulate the economy and create new jobs but under the committee's resolution, we are still left at the end of the fiscal year 1977 with 6-percent unemployment. We have no other significant new initiatives or program growth in the budget for next year, however, besides the jobs program.

Yet think of the problems that confront us as a Nation. Our cities are becoming wastelands plagued by crime, increasingly unlivable, and this as we celebrate the 200th anniversary of this country's birth. We are being outstripped by Western European countries in the rate of literacy, in the rate of infant survival, and in the rate of life expectancy. Yet there is nothing in this budget in essence that will seriously address the serious problems we have at home.

I would suggest that we really change the priorities reflected in this budget, and that we deal, in the first instance, with the enormous increase that this congressional budget calls for in military spending. I am concerned not only because this is the largest increase in peacetime military spending in this country's history--an increase, by the way, that was not adequately justified before the Budget Committee--but also because that increase costs us the ability to deal with the domestic needs of this country. Furthermore, this increase locks us into high defense spending over the next 5 years. In fact, the high increase in military spending this year, if it continues as expected at the same rate over the next 5 years, is going to mean that the only way we can balance our budget in 1981 is by funding such programs as medicare, medicaid, and veterans' benefits at the same level they were funded at in 1977 and by allowing for no new programs or program growth.

How can we lock ourselves in this way, but unjustified military spending, in view of the pressing domestic needs of this country? . . .

Mr. Chairman, I would suggest that this is an opportunity for us to begin to redirect national priorities and to say, not only for this year but for years to come, that we will not starve our domestic programs by financing wasteful and extravagant military spending, that we will seriously address the needs this country has, and that we are going to start doing it now.

FOOTNOTES

1. Tristam Coffin. "A Moment of Truth on Capitol Hill," The Washington Spectator, 2, 10 (June 1, 1976), p. 1.

2. This is the Dissenting Minority Report of the Congresswoman from New York included in the First Concurrent Resolution on the Budget--Fiscal Year 1977. Report of the Committee on the Budget, House of Representatives (Washington, D.C.: U.S. Government Printing Office, 1976), pp. 127-131.

3. The "controllability" of outlays is a relative concept referring to the amount of discretion over a program's spending that can be exercised in a single year. "The relatively uncontrollables" include all the entitlements (such as Social Security and SSI), outlays from prior year commitments, and some specific programs, e.g., general revenue sharing, interest on the debt.

4. One particularly meaningless argument used by the Defense Department to support a huge budget increase was that the percentage of Gross National Product which military spending represents has been decreasing. This, DoD claims, has weakened our defense posture. The foolishness of this argument is plain. If defense spending remains constant, an improving economy will mean a rising GNP and a lower defense percentage. A failing economy means lower GNP and a higher defense percentage. This would mean that we are militarily weaker with a good economy and stronger with a bad economy.

   Other arguments used to support the increase in defense spending are equally fallacious. The Defense Department warns that the Russians have more missiles than the United States. But it admits that the United States has far more warheads. DoD warns that the Russians have more armed forces than we. It neglects to mention that the Soviet army performs many functions which in the United States are performed by civilians, that a substantial portion of that army is massed on the Chinese border, and that U.S. forces have technological superiority. The Administration warns that the Russians spend more in terms of dollars on defense than we do. However, as others have pointed out, this estimate includes computing the cost of drafted Soviets as if each were paid at U.S. volunteer army pay rates. If defense spending is measured in Russian rubles, the U.S. spends more than the U.S.S.R. In addition, if the defense spending of all NATO powers is compared to that of all Warsaw Pact nations, the West far outspends the Communist bloc, even in terms of dollars.

5. Extracted from The Congressional Record of the U.S. House of Representatives, April 27-29, 1976, pp. 3455, 3619-22.

NEW YORK CITY AND THE ECONOMIC CRISIS

by Joseph Harris

The crisis of New York City and the crises affecting many hundreds of other cities, counties, school districts, and other local and state governments are not accidents. They are a direct result of the neglect that social welfare receives at the hands of a government interested only in furthering the profits and position of the monopolies. Some people call the U.S. government a "warfare/welfare" state. I prefer to call it a state dominated by the giant corporations which control the economic and hence the political life of our nation. As long as federal policy continues to stress profits before people, the problems afflicting our nation will not be alleviated. Instead, they will worsen. The government insists on a policy of "malicious neglect" toward workers, racial minorities, the poor, the elderly, the youth, women, children--toward all but the very rich and powerful.

The Joint Economic Committee of Congress recently stated: "Chronically depressed regional and area economies are characterized by exceptionally high unemployment rates, net losses of private sector jobs, rapidly declining shares of national income, growing percentages of the national poverty population, and deteriorating public and private infrastructure."[1]

The JEC recognizes that the Northeast especially, but also the Great Lakes and Mid-Atlantic, are becoming "chronically depressed." It asks for "additional Federal assistance" although it "realizes that the Federal Government cannot completely offset the effects of economic decline." Instead, it can only "provide stabilization assistance to cushion the impact of decline . . ." The JEC suggests a variety of measures to slow the decline, including directing the Federal government to let contracts especially in areas of high unemployment, to establish a development bank, and to provide tax breaks for businesses that invest in depressed areas.

What must be emphasized is that the Joint Economic Committee does not feel that the Federal government can stop the decline of the cities. Since it admits that private businesses are deserting the cities in search of higher profits elsewhere, the conclusion is inescapable that the JEC is writing off the depressed cities and regions of the country.

Had the JEC engaged in a serious search for funds to rebuild and revitalize the cities, it would have looked at the $100 billion plus "defense" budget. This is a main source--but not the only source, as we shall see--for funds to overcome the fiscal crisis of the cities. The JEC evidently does not comprehend the scale of the repercussions which will result if the cities of the Northeast, the Great Lakes, and the Mid-Atlantic continue their rapid decline. Tremendous suffering and deprivation, accompanied by social unrest, militancy, mass radicalization, and struggle--the like of which the nation has never experienced--will cause U.S.

ruling circles to rue their earlier cavalier attitudes. Large problems cannot be solved by using run-of-the-mill, business-as-usual approaches. Yet the two parties which share power approach the crisis of the cities as if it can either be ignored or can be successfully dealt with, with the usual rhetoric and small-potatoes programs. They approach the crisis with a singular lack of serious concern.

This paper is a revised version of a speech given before a conference of activists mobilizing against inflation, unemployment, and the crisis of the cities. Its purpose, to paraphrase a famous activist and scholar, is not only to examine the city crisis, but to help bring about the conditions necessary to eliminate the crisis. It draws upon the experiences and wisdom of the many who are consciously embarked on the path of class struggle as the road to social progress.

We shall examine the meaning of "default," a few of its alleged causes, and some of the real reasons driving cities, other local governments, and state governments toward fiscal disaster. The experiences of New York City and its lessons are emphasized. Then follows a summary of the steps the bankers and industrialists took in New York City on their way to gaining open and legal jurisdiction over its financial affairs. The results of the coup d'etat are documented. We discuss the approaches toward the NYC crisis of various politicians, including President Ford and some liberal Democrats, and we present an outline of the Federal government's intervention in the NYC crisis. Finally, suggestions for ameliorating the crisis are made.

What About Default?

"Default" has many meanings. For the bankers and the lawyers, it means that cities and states do not pay back loans or make interest payments on time. Default means that a financial contract is broken. For the resident of New York City, Yonkers, Detroit, Cleveland, San Antonio, and many other places, default means massive losses of jobs, frozen and lowered wages, cutbacks in welfare, larger class sizes, cutbacks in hospitals and daycare centers, and elimination of services of many kinds. It is entirely possible for cities to fail in their financial obligations to city employees, school children, retired workers, the jobless, mothers and their children on welfare--and yet not legally default--as long as the bondholders, those to whom the city owes its loans, are paid on time.

But when cities do legally default, the impact on workers is even more severe. When the 6,195 legal defaults of the past 135 years occurred, the government apparatus swung into action to ensure that the defaulting governmental unit paid its bills to the bankers and other large bondholders. How was this accomplished? By extremely severe cutbacks in city services, wage freezes and reduction, job losses, and increased taxes--sometimes combined with varying amounts of federal and/or state financial assistance. For example, Detroit was on the edge of default in 1931. To meet its obligations to bankers, the major and city council were forced in 1931:

". . . to reduce the number of employees and to approve a 10% reduction of salaries up to $4,000 and a 20% reduction for salaries above that level. In April 1932, the city temporarily defaulted on its payrolls because the banks refused further short-term advances until salary reductions were effected. A temporary 50% reduction in all salaries and prearranged credit from New York and Chicago were sufficient to carry Detroit through June 1932. In July, in order to obtain additional funds by the sale of notes or bonds, the city adopted a permanent 5-day salary ordinance which reduced salaries another 13$. City employees were paid at this level by means of script from July 1932 through mid-1934 . . . As economic conditions in the city began improving, there were large cash flows from past delinquent taxes. The cash flows were sufficient to enable the city to meet refunding debt service payments due in the mid and late 1930's and to restore the salary reductions forced on city employees.

World War II and the automobile boom following it enabled the city to meet the remaining refunding debt service payments."[2]

During each major depression, defaults skyrocket. From 1930 to 1939, 4,770 local governments defaulted in the U.S. These included 1,430 incorporated cities, 30% of the total; and school districts numbering 1,240, over 25% of the total. Did these 4,770 local governments default because their employees received "extravagant" wages, or because employees were loafing on the job, thus cheating the taxpayers? No! They defaulted because the depression, for which they were not responsible, caused massive unemployment, and drastic reductions in taxes while needed services, including welfare for the jobless, rose.

The depression which began in late 1973 officially ended, although mass unemployment remained. Officially the unemployment rate temporarily peaked at 9.2% in May of 1975. In March 1976, the official unemployment rate still stood at 7.5%, while unofficial estimates, including those of the National Urban League, stated that unemployment was about 15%. Among Black and other nationally oppressed peoples, the unemployment rate during the fourth quarter of 1975 was 26%, according to the Urban League. Officially, the figure was 14%, depression level unemployment! While the national unemployment average was 8.3% in September 1975, the unemployment was spread unevenly over the nation. For example, the official New York State unemployment rate was 12.1%. In general, the nation's largest cities, where the Black, Puerto Rican, Chicano, and other oppressed nationalities are concentrated, suffer from the greatest unemployment. If a spirited upswing does not occur, the spectre of default will settle over many hundreds of local governments and will even reach into many state governments.

While national attention has been riveted on New York City's plight, the fact is that New York City is not an isolated example of a default, Yonkers, the 4th largest city in New York state, narrowly averted default in mid-November, 1975. Further, it is estimated that 16 New York cities will default if New York defaults. Ripples from New York City's financial plight are not the main reason for the crippled position of many other local and state governments--as has been alleged by many who want

to blame New York for high interest rates and financial crises all across the nation. For example, Massachusetts would have defaulted in early December 1975, according to the New York Times (11/10/75), had the state Legislature not signed a bill in early November providing for "a $3 billion budget with sharp tax increases and cutbacks in social programs." In one paragraph, the Times described this as "a fallout from New York City's financial disaster," but in another paragraph noted that the signing of the bill "ended a 10-month struggle with the state Legislature." However, when the struggle began, New York had not yet been acutely threatened by default.

The banks caused the fiscal crisis in Massachusetts by insisting that they "would not be able to" lend Massachusetts $131 million to pay off short-term local housing authority loans unless the state instituted severe cutbacks in aid to the working poor and medically indigent, while raising taxes on working people. "Massachusetts was not in immediate danger of going bankrupt"; so there was no valid financial reason for First National Bank of Boston to refuse the loans. Using the New York City crisis as their excuse for their hold-up of the working people of Massachusetts, the Boston banks insisted upon $364 million in tax increases, including a 2-cent rise in the state sales tax--the most regressive of all taxes. Cutbacks include "ending aid for 22,000 persons in nursing homes and another 110,000 of the 'working poor.'" Meanwhile, business taxes were dropped $33 million a year.

The New York City Crisis

Let's examine the continuing New York City crisis. Is "high living" the cause, as President Ford, Senator Proximire, and Senator Adlai Stevenson claim? Ford, in a speech to the National Press Club on October 29, 1975 claimed that "New York City's wages and salaries are the highest in the United States." But the Bureau of Labor Statistics of the U.S. Government ranks New York City "fourth among the nation's largest cities in the average salaries paid all employees. After BLS adjusted those fourth-ranked wages to the cost of living in each city, the city's salaries dropped to tenth-rank."[3]

Ford claims that "New York City is the only major city in the country that picks up the entire (pension) burden." The truth is that almost every one of the approximately 20 New York city employee pension plans is "contributory," that is, employees contribute part of their salaries toward their pensions. President Ford also claims that "25 percent of the hospital beds are empty" in New York's 18 municipal hospitals. Again, Ford "improves" the life of New Yorkers in the telling. In reality, the vacancy rate in New York municipal hospitals is about 20%, while the national vacancy rate for state and local government hospitals was about 30% in 1973, according to the American Hospital Association.

For the working people of New York City, life is not easy: "55.7% of the residents of New York City fall below the Bureau of Labor Standards on the deprivation scale, 15% are in dire poverty."[4] At least one-half million workers, probably 800,000, are unemployed. One of every eight persons is on welfare. Few workers own their own homes; instead, they pay outrageous rents for old, broken-down apartments. Rent-control, more a myth than a reality, is rapidly being undermined.

Over the years, New Yorkers have won some achievements. If the rulers of our nation have their way, these gains will be erased. Already, since the advent of the financial crisis, the City University system's no tuition and open admissions policies have been eliminated. As a result of these policies "43 percent of senior college students come from families with annual incomes under $10,000."[5] Nationally, 47.5% of all high school graduates enroll in college, but in New York, with its City University system, 79% enroll in college. Is this bad? Should this be stopped? On the contrary, the right to an education, including college--which is needed for most better-paying jobs--should be a right for all Americans, in whatever state they live, and regardless of their economic status.

If New York residents do not have such high living standards, you may ask, why is the city government of New York practically bankrupt? Why can't it pay its bills? It might seem that the answers must be very complex since so many and conflicting ones have been offered, but actually the answers are fairly obvious--once we put aside the nonsense being peddled to confuse and divide and immobilize us.

First, New York City manufacturers and other businessmen have eliminated more than 500,000 jobs since 1969. They either cut back their workforce because of automation, speedup, or declines in production, or they moved their businesses to more profitable areas, both domestically and foreign. They moved to areas where trade unions are weaker, wages are lower, taxes fewer, land more plentiful and cheaper--in short, where profits are greater. They took with them the profits which the workers in New York produced, and they left behind them workers without jobs, many of whom will never find other work. As a result, no tax revenues were collected from these businesses. Nor were income taxes collected from the many workers who did not manage to find other jobs. Mayor Beame, in testimony before the Joint Economic Committee of Congress (10/10/75), estimated that the city's economic decline since 1969 caused a loss of tax revenues totalling more than $1.2 billion. In the past year alone, the loss was $400 million.

On the other hand, city services for the 500,000 abandoned workers had to be maintained: fire, police, transit, sanitation, education, hospitals, and many others including welfare for the most unfortunate. City contributions to welfare cost rose $650 million since 1969, according to Mayor Beame, as the result of the city's depressed economic condition. Together, the decreased revenues and increased costs from the economic decline total $2 billion since 1969.

A second factor is the depression which began in late 1973. It sharply increased the long-run problems of business and job loss in the midst of service cost increases.

A third cause of New York City's financial crisis is the huge discrepancy between what NYC gives to the federal government and what it gets back. According to one source, NYC sent $26 billion to Washington, D.C., and received back $3 billion in fiscal year 1974.[6] What happened to the $23 billion that Washington kept? At least $8 billion went directly to the military. Another $6 billion went to the

CIA, FBI, other repressive agencies, subsidies to business interests, and other giveaways. Since 55% of the federal budget goes to the military, to repressive agencies, and to various subsidies and giveaways, we can assume that 55% of New York City's contribution to the federal budget, or $14 billion, was similarly allocated. That's more than the entire city budget of $12 billion. Another economist estimated that by 1973 "the net annual outflow of tax dollars from New York City, in excess of all federal payments for all purposes into New York City, had increased to $7.5 billion, more than 7 times the estimated New York City deficit for 1976."[7]

The main manufacturing states of the Northeast lost $55 billion in 1973, up from $23 billion a year during the 1965-67 period. Over a period of 10 years, the yearly deficit to the federal government from these main industrial states rose 140%. What happened to the $55 billion the federal government pocketed from these 8 industrial states, and the $15 billion pocketed from another 18 states? Part went to the 24 states (mainly in the South) which were net gainers ($12 billion), but most of the money ($58 billion) was not returned to any state through federal aid of any kind, defense contracts, federal payrolls (military or civilian), social security, or veterans benefits. Most of the missing $58 billion went to pay interest to the banks, mainly on past and present budget deficits caused by war spending ($23 billion), international affairs and finance ($3 billion), general government ($5 billion), "intelligence" agencies, and overseas military spending.

A fourth, and very important, cause of New York City's financial crisis, of its budget being out of balance, is that the "business community"--as the New York Times and Wall Street Journal call the calculating cut-throats who are systematically wrecking people's livelihoods, educations, safety, and health, while shouting for the city to act "responsibly--is not paying its share of the city's taxes.

If Mayor Beame and Governor Carey enforced the laws they have sworn to uphold, New York City's financial crisis would disappear. The banks and other large corporations escaped paying $22 million in real estate taxes due to lowering of the original valuations on their property during 1975. In 1975, $670 million in real estate taxes was lost due to initial under-valuations of all big business properties. Over the past 10 years, billions of dollars have been lost this way. In addition, $500 million in back real estate taxes, mainly from large businesses, is uncollected. A recent study of 7,300 businesses, picked at random out of the total 430,000 businesses that collect sales tax in the state, showed that the sample businesses owe $40 million to the state. Billions of dollars must be owed by all 430,000 businesses.

Why don't Beame and Carey enforce the law and collect these taxes? Perhaps because both hold public office due to the generosity of the oil industry and the major New York banks.

Since the "business community" does not pay its share of the taxes, the burden on the working class is increased. For example, the real estate tax, which is paid primarily by businesses and the upper stratum of workers, constituted 39% of New

York City's operating budget in fiscal year 1964. By 1974, it had dropped to a mere 26%. On the other hand, New York State taxes on workers such as the personal income and sales taxes comprised 65% of the general fund in fiscal year 1958, but by 1974 the figure rose to 80%. On the federal level, corporate income taxes dropped from 30% of all tax receipts in 1955 to 15% in 1974.

A fifth reason for New York City's financial bind is that the city is discriminated against by the state and federal governments. The formulas which determine the amounts of aid the city is to receive are rigged against all cities, and especially against New York City, the symbol of national and local representation especially for national minorities. For example, New York City pays 30% of the cost--$370 million in 1974--of its welfare recipients, more than any other city in the country. Only 21 states require local governments to pay any share at all of welfare costs. Chicago pays 2.9%; Philadelphia, 0%; Detroit, 4.3%; Houston, 4%.[8]

Together, the five reasons given above provide the basis for understanding the crisis of New York City: the long-term trend of businesses to run away from New York, seeking higher profits; the depression of 1974-75; heavy federal taxes which are wasted and which do not return to New York; the corporate non-payment of taxes and shifting of the tax burden from those able to pay to those who cannot; and discrimination by the state and federal governments in providing aid. Of course, there are additional reasons, but these are the primary ones. These five reasons apply not only to New York City: change the figures and you have the basic ingredients to the financial crises hitting city after city.

After the above factors have been in operation for a while, deficits mount. The banks do not mind lending money to the cities; in fact, they encourage it. Although there have been 6,195 defaults, almost all have been very temporary. The money has been repaid. Permanent losses have not occurred. Lending money to the government, at all levels from local to federal, has always been a good, safe investment. After a time, the deficits grow larger. Cities finally come to the point where they are at the mercy of the banks. They need to borrow money, and only the banks can provide it.

Who Runs New York City Now?

A brief summary of the events of the past few months in New York may help to bring home what the rulers of our country have in mind for other cities and local governments. By 1975, New York City was paying 18% of its budget--about $1.9 billion--to pay back loans, primarily to the major banks. To pay off back debts, finance the new deficit, finance capital expenditures such as school construction, and borrow money to pay bills that come due before revenues come in, New York City needed to borrow $8 billion in 1975. Then the banks decided that New York City was a bad risk--and it was, in the sense that it was getting deeper and deeper into debt. Interest rates rose to more than 10%, as the banks held back their loans at lower interest rates. One state agency, the Urban Development Corporation, defaulted on one of its loans in February, but was quickly bailed out by the state government.

In June, 1975, the New York State Legislature established what became known as Big MAC: the Municipal Assistance Corporation. Big MAC's purpose was to borrow money for the city--a total of $3.3 billion--since the banks were refusing to lend money to New York City. The theory was that the banks would be willing to lend money to Big MAC for two reasons: because MAC's loans were backed by the state government, as well as the fact that money collected by New York City through its sales tax and stock transfer tax was to be used directly to pay off MAC's loans. The theory was only partially successful. Big MAC was able to borrow only two-thirds of the $3.3 billion--at rates up to 10%.

In return for Big MAC's "help," New York City "agreed to tighten its budget process" under MAC's supervision.[9] The result was that in July, one month after MAC was established, it imposed "a far-reaching M.A.C.-dictated laundry list of economies, including a municipal wage freeze and changes in the city's governmental structure."[10] The subway fare went up from 35¢ to 50¢, an increase of 43%. Large-scale layoffs began.

Who was put in charge of MAC's financial policies by Governor Carey? Felix Rohatyn, a member of the Board of Directors of I.T.T., Owens Illinois, and the giant investment banking firm of Lazard Freres and Co. In Washington, D.C., Rohatyn is known for his role in "fixing" three major antitrust cases against I.T.T. through behind-the-scenes meetings with then Assistant Attorney General Kleindienst.

In September, since New York City's financial crisis had not been solved, the state legislature, in special session, established the Emergency Financial Control Board (EFCB). It "displaced the city's Budget Bureau" and ordered the "appointment of a bank-dictated deputy mayor for finance."[11] The EFCB has the power to review and reject all contracts entered into by the city or by any of the city's agencies. Under this provision, the EFCB rejected the United Federation of Teachers contract, and the Transport Workers' settlement, calling for cost-of-living increases, has been declared illegal.

The EFCB goes far beyond Big MAC. Whereas Nixon's wage freeze lasted only 90 days, and prices were also frozen, the EFCB's freeze on wages will last up to three years --while prices are free to rise at the dictate of the market and of monopoly power. After three years of 10% inflation, workers will have absorbed a 30% decrease in real wages!

The EFCB is also forcing huge cuts in social service jobs. Already at least 75,000 municipal jobs have been lost, and the expectation is that the total may exceed 100,000, a third of all municipal employees. Under the Emergency Financial Control Board, New York City elections have become essentially meaningless. The City Council's powers have been usurped by the EFCB. And now Yonkers, the fourth largest city in New York state, has been saddled with its own EFCB after narrowly escaping default.

The political takeover of New York City by the bankers and their EFCB is a test. If the bankers can succeed with this in New York City, then they will try to do it

elsewhere. The Nixon program was subversion of the democratic rights of the people; it included a wage freeze and wage controls while prices skyrocketed. The Ford program--and all who support his ideas on New York City--calls for eliminating self-government of the cities. It calls for disenfranchising the majority of the Black population on a local level. It calls for eliminating the right of unions to decide contracts with their employers. It is aimed at crippling the ability of working people and oppressed nationalities to protect their standard of living. The step of replacing local elected officials by bankers is a big step in the direction toward repression and fascism.

The EFCB plans to balance New York City's budget by slashing expenditures and raising taxes. The EFCB is projecting a "real reduction in controllable expenditures by fiscal year 1978" of 18% based on its unlikely assumption of a 3% rate of inflation.[12] But assuming the more realistic figure of 10% inflation each year, the EFCB's projected cuts become 32% of controllable expenditures (everything except the debt service, state mandated welfare expenditures, pension payments, and other smaller assorted items).

Here are a few items clipped from the New York Times which show the impact of the budget cuts: "The Aid to Dependent Children program has been forced to discontinue classes in nutrition and consumer education, and complaint time on buildings violations has been increased from three weeks to three months." "Last month the last of the Police Department-sponsored school-crossing guards were let go as a budget-cutting measure." "In eastern Queens there are no school crossing guards." "Fordham Hospital, the only municipal hospital serving the people of central Bronx County" is being closed. "Within the last four months, 200 people were laid off in the branch libraries . . . resulting in cuts in people, hours, and the closing of some branches." "The State Dormitory Authority, citing a lack of investor confidence and inability to market its bonds, said yesterday that it was suspending work on $229 million in construction at three senior colleges of the City University." "More than 15,000 jobs in private industry will disappear as a direct result of city budget reductions already imposed . . . occur primarily in trade, construction, and services ranging from hotels to computers."

Seven schools have already been closed and 13 more closings are scheduled. Eight firehouses have closed, resulting in the fire engine response time climbing 25%. The climb in needless deaths and injuries has not yet been calculated. Severe cutbacks in the capital budget mean that no new construction of a major sort will take place during the next three years. School and hospital facilities will not expand or be replaced. The deterioration of the city's facilities will accelerate still further. Mayor Beame, on November 11, detailed a new plan to eliminate another 13,000 City employees and stated that "the burden of the cuts will fall most heavily on social services, hospitals and education, which account for almost half of the economies. . . The Social Services Department is closing 28 day-care centers and three centers for the elderly."

In more "scientific" terms, 2,100 sanitation workers, or 15% of the total, were eliminated between January 1975 and November 1975, as were 19% of all hospital employees, 30% of the employees of the board of education, 17% of cultural employees, 12% of police, 11% of firemen, and 11% of social services workers. All together, about 16% of all municipal employees lost their jobs during 1975.

The pink slips have not been evenly distributed. The last hired have been the first to go. Black and Puerto Rican people and youth have been hit far out of proportion to their numbers in the population: "40% of the Black males" and "51.2% of Hispanic workers" lost their jobs.[13]

The service cutbacks have not been evenly distributed. Ghetto and barrio communities, poor communities, have had their garbage collections reduced beyond any reasonable limit. In Crown Heights, a section of Brooklyn, residents protested by taking huge piles of uncollected garbage and stacking them in the streets. When 90 families live in one apartment building, or when 500 families live in one apartment building, then 90 or 500 bags of garbage accumulate daily. But in many areas, garbage is only collected twice each week! Classroom enrollment sizes have been stretched past 50 elementary students per classroom in many areas of the city. Recreation periods have been eliminated in many schools. Governor Carey and Mayor Beame find Ford's pressure an excellent excuse for further taxing working people and cutting benefits.

But only one side has been presented: the repression and the losses suffered by the working people of New York City. The other side is the tremendous fightback against these cuts. While so far the protests have not been coordinated, our estimate is that at least 300,000 New Yorkers have marched and struck against the budget cuts. Teachers, students, sanitation men, poverty workers, clerks, social workers, hospital workers, police and firemen, senior citizens, daycare mothers and staff, commuters against the fare hikes--at one time or another, organized protests involving thousands of persons in each of the above categories have been held.

The New York Coalition to Fight Inflation and Unemployment has played a very helpful role in encouraging unity and understanding among the many thousands of protestors. And on December 9, 1975 it held the first united demonstration to save New York City, along with other groups in the Ad Hoc Committee to Demonstrate Against the Budget Cuts. The fightback has a tremendous task ahead. Arrayed against the interests of working people in the cities are the united forces of the giant banks, monopoly corporations, and their servants in all levels of government.

A successful struggle to save the cities involves joining two struggles together: the struggle for full employment and the struggle for massive federal aid to the cities. A victory for either will help the other. And neither can be successful without unity with the other. As mass unemployment continues, so will the financial crisis of local governments. Federal aid to the cities--to prevent massive municipal layoffs (and repercussions in private industry) and to create instead many hundreds of thousands of jobs for the unemployed city dwellers--necessarily must be a focal point of concern.

President Ford's policy of forcing drastic cutbacks in New York City's budget, in order to "punish" its residents for supposedly having lived beyond their means, will only intensify unemployment among those already hardest hit by the depression and racist discrimination, and the flight of corporations to higher-profit locations. Presenting New York City to the American people as "sin city," as a city of lazy workers and welfare cheats, Ford mounted a national campaign to convince the public that the financial crisis facing the city was of its own making. In speeches at home and abroad, his message was the same: New York City must solve its problems without federal aid, even if it had to default or declare bankruptcy. Ford's message was loud and clear: any city in financial crisis must lay off thousands of already hard-pressed workers, cut pensions, increase classroom sizes, reduce college enrollments and raise tuition fees, reduce medical and hospital care, increase transportation fares, cut daycare, close libraries, reduce fire and police protection, and slash welfare payments.

President Ford made the issue of federal aid to New York City a major part of his strategy for first winning the Republican Party presidential nomination--of outflanking Ronald Reagan on the right--and then going on to win the general election. Ford wishes to pit the rest of the nation against New York City and its large Black, Puerto Rican, Jewish, and other minority populations. He is attempting to build an anti-labor, anti-Black, anti-Puerto Rican, anti-foreign born, anti-Jewish coalition. Appealing to the most backward sentiments of the population, fomenting all the prejudice he can muster, Ford hopes to win a majority to his policy of making New York City an "example" for the entire nation of what will happen to any city not living within its budget.

According to the polls, Ford is losing his gamble. Working people are not buying his slurs about New Yorkers. Increasing sentiment is being expressed for federal assistance to New York and to other hard-pressed cities. And so our honest President shifted his ground, gave some aid to New York City, and then claimed the credit for NYC's last second escape from default.

On the one hand, Ford used the New York City crisis to divert national attention away from the continuing national mass unemployment. On the other hand, he and Arthur Burns of the Federal Reserve Board laid the groundwork for placing the blame on New York City if the economic upswing fails. Ford, the banks, and most major politicians are blaming other cities' financial crises on New York City. Their chorus is that bankers' fears of a default by New York City are causing bankers across the nation to hesitate before lending money to other cities and states--except at higher interest rates. Current estimates are that, since the New York City crisis began, banks have raised their interest rates to local and state governments sufficient to bring in extra profits of more than $2 billion.

Almost all the Democrats in Congress joined Ford in his campaign. Senator Proxmire, the liberal, wrote in his November 1975 newsletter:

> "How about the argument that New York City has been wasteful, lived-beyond-her-means, and now she should be required to pay for it? I agree with that

argument entirely. New York has been wasteful. She has paid salaries and pensions that are too high. She has provided free tuition at her city university. She has undoubtedly had thousands of people on city payrolls who do nothing but draw pay and loaf. This has to be stopped and now."

Supposedly pro-labor liberals joined the chorus of anti-labor, racist voices. Major spokesmen of both major parties agree substantially on the solution to New York City's problems: forced cutbacks and higher taxes on the workers.

The main difference has been that Ford and his backers were more willing to let New York City default, thus opening the door to much more catastrophic cutbacks and deprivations for New York's workers--and the possibility of fairly lengthy delays in repayment of certain loans to banks and other major bondholders. More minor, but well-publicized differences involved details: should the federal government establish a committee to run New York City's financial affairs; should a judge handle the job; or should the bank-dominated Emergency Financial Control Board continue to rule New York City? Should the federal government guarantee loans by the banks to the city of $2.5 billion or $3 billion?

Very few politicians, on any level of government, have taken the side of the working people of New York City. John Conyers and Bella Abzug have been among the most responsive, and one or two members of the New York State legislature have spoken out. Many politicians, who previously had good positions, crumpled under the pressure. However, it is noteworthy that most New York politicians are quite concerned and worried about how the people will respond to the cutbacks. They sense the growing anger and willingness to fight and are afraid of getting in the way of the expected upsurge.

On November 26, 1975 President Ford reversed his opposition to aid for New York City and endorsed a plan for $2.3 billion a year in short-term Federal loans to ease the city's cash flow problem through 1978. The loans must be repaid by the end of each year--at interest rates 1% above those of federal securities. However, the essence of the financial "solution" is: (a) the bailing out, with liberal interest but some delay in payment, of the banks and big private investors in city notes; (b) financing of the city to the tune of <u>billions</u> by cleaning out the reserves of workers' pension funds--forcing the unions to lend their pension funds to the city when the banks and other big investors are boycotting city securities as a bad risk; (c) not an inch of motion to collect unpaid and underassessed taxes from banks and office buildings, or get a larger share of the $26 billion paid to the federal government in taxes annually.

It is clear that at the heart of the three-year plan are substantial layoffs, a wage freeze and cuts in services, with the Emergency Financial Control Board (EFCB) giving every aid to the employers in dictating terms of labor contracts and thus fundamentally undermining collective bargaining. The first contract negotiation of 1976 involves 32,400 subway and bus workers in the Transport Workers Union. Their contract expired March 31, 1976. The Transit Authority is insisting on a wage freeze among other items, on the grounds that the EFCB forbids any wage increases as part of its three-year financial plan.

Mass layoffs are the heart of this financial plan imposed by the EFCB--and Ford's plan only adds federal pressure to its implementation. For example, Harrison Goldin, City Controller, said on January 15, 1976 that New York faces a $1 billion income shortage in the next three fiscal years. His response is more layoffs. Felix Rohatyn says he believes the shortage is already up to $1½ billion when originally $725 million in added budget cuts had been foreseen.

Mayor Beame, in his address on the "State of the City" on January 22, 1976 said: "I am here to tell you that the road ahead as far as the eye can see is uphill and rough." He said that the city could not continue to finance the City University. Deputy Mayor Kenneth Axelrod, speaking about additional layoffs, said: "It looks like that's where the emphasis will have to be." Beame, in his speech, deplored the cuts, and the racist nature of these cuts, and then turned around and said he would continue making them. He demagogically stated: "I want to make it clear that at this point in our history, economic development and job and revenue projects must have absolutely top municipal priority." How did he propose to expand jobs? By cutting them!

The New York Times "News in Review" section of January 25, 1976 commented on Governor Carey's "State of the State Message," saying that he sounded like Ronald Reagan. Each proposed less government spending for social welfare programs and more tax and other benefits to big business as the cure for economic ills. Mayor Beame's Message drew much the same "trickle down from the rich to the poor" policy conclusions.

Default was avoided temporarily, but as Controller Goldin indicated could reappear as an imminent danger at any moment. Standard and Poor's says it will be 10 years before the city can borrow in the commercial market and others say it will be 20 years. In the meantime cuts in services, layoffs, and wage freezes are to continue, each year cutting over twice as much off the budget as in the first year of the plan, now that the budget deficit is discovered to be $1½ billion rather than $725 million.

Proposals to Aid the People of New York and Other Cities

To help cities all over the nation avoid fiscal crises and default without putting new burdens on city workers, several relief measures must be won. First, the federal government should guarantee whatever loans any city needs. Second, short-term loans must be converted to long-term loans with a reduction in their interest rates. This would reduce the immediate financial pressures on the cities and would hurt only the banks and other bondholders. The long-run solution to New York's, as well as other cities', financial problems lies in massive federal grants to the cities. Without such grants, New York's problems will likely reappear with increased intensity when the limited time period of federally guaranteed loans runs out.

The long-run financial problems of New York City and other cities show no signs of lessening; rather, every indication is they will intensify without outside help. Long-run solutions must include federal grants to cities, with specific appropriations for housing construction, schools, child care, mass transit, and other needs.

Priority must be given to the most oppressed communities. This type of program would create many jobs and help balance city budgets by increasing tax revenues and decreasing welfare expenditures. Restructuring of the tax burden in New York City and on all levels of government, so that the ruling class pays more, is absolutely necessary.

Finally, the largest source of federal funds which could be used to create jobs and aid the cities is the military budget. The advance of detente allows and demands a substantial reduction in the military budget. This source of funds must be tapped for the peoples' benefit.

It must be clearly understood that those who oppose detente also oppose saving the cities; those who oppose unions also oppose helping the cities; those who favor segregation and discrimination oppose giving aid to the cities. And, it must be stressed, these positions are not accidental. They are reflections of basic class positions. Therefore, to win substantial aid for the people of the cities, this reactionary coalition and all that it stands for must be fought. As long as this pro-monopoly coalition rules, it will not willingly spend the billions necessary to turn the cities into centers of full employment, decent schools, mass transit, adequate housing, clean air, etc.

To campaign for federal aid to the cities, while evading the absolutely necessary struggle to reduce the arms budget, will only result in failing to win aid for the cities. To strive to convince representatives of monopoly to vote for measures to help the working class--while anti-monopoly forces remain trapped within the two-party, lesser-evil, two wings of the capitalist class political party framework--will guarantee failure. Only independent action, independent with regard to political line (and not isolated from the labor, peace, civil rights, women, senior citizen, etc., movements), offers a path of struggle with a chance for success. After all, large problems require basic solutions.

The two greatest barriers to success (for the working class) in our nation are racism and anti-communism. Without a principled battle against both, a successful battle for the cities cannot be won. Racism divides us along "color lines" and prevents us from seeing our real enemy: monopoly. Anti-communism isolates those who have stood steadfast against the ravages of American "free enterprise" ideology and prevents them from giving much needed leadership in the terribly complex battles lying ahead.

REFERENCES

1. 1976 Joint Economic Report, Senate Report No. 94-690.
2. City Emergencies, Advisory Commission on Intergovernmental Relations, 1973.
3. "Public Employee Press," newspaper of District 37 of AFSCME, 11/7/75.
4. Henry Maier, Mayor of Milwaukee, Wisconsin, in testimony before the Joint Economic Committee of Congress on 9/24/75.

5. New York Times, 11/16/75.
6. Journal of Commerce, 10/10/75.
7. Seymour Melman, Public Employee Press, 3/12/76.
8. Washington Post, 11/17/75.
9. New York Times, 6/11/75.
10. New York Times, 6/11/75.
11. New York Times, 10/2/75.
12. "New York City's Financial Crisis," a study for the Joint Economic Committee of Congress, 1975.
13. "City Layoff: The Effect on Minorities and Women," New York Commission on Human Rights, 4/76.

THE WARFARE-WELFARE TRADEOFF: HEALTH, PUBLIC AID AND HOUSING*

by Kathleen Peroff

University of Maryland

It is a truism that resources devoted to defense are unavailable for non-defense purposes. Investment in defense takes place partly by reducing civilian spending on consumer and capital goods through tax rates that are higher than they would otherwise be and partly by reducing government spending on non-defense programs. The purpose of this paper is to test for the existence and magnitude of the latter tradeoff over the years 1929-1971 in the United States. In particular, the analysis concerns the tradeoff between defense and three social welfare policies: health, public aid and housing. In addition, the analysis examines whether these tradeoffs differ during periods of war and peace.

Theoretical Arguments

One prevailing theory is that no tradeoff occurs between military and welfare expenditures. Proponents of this theory argue that modern society moves toward a warfare-welfare state in which political elites must buy off the populace with welfare goods. One reason is that welfare policy promotes the growth of GNP by contributing to better physical and psychological health for the workers which in turn promotes efficiency and production. (Baran and Sweezy, 1966; Rimlinger, 1971, 59-60; Heclo, 1974, 89-90). Another argument in favor of this theory is that welfare spending contributes to political order by co-opting the masses and rewards them for fighting wars. (Gouldner, 1970).

In a more pragmatic vein, Eckstein concludes:

> I think that historical experience has been that governments are either stingy or they're spenders, and if they're stingy about defense, they're stingy about everything. I would say that the historical record suggests that the association between civilian spending and military spending is positive, not negative. (1963: 1012)

A related argument suggests that defense spending, even if greater than necessary for national security, is not necessarily a waste, since alternative uses of economic resources would be equally "frivolous." For instance, the money might be

---

*The author wishes to thank Gillian Dean and Margaret Podolak-Warren for helpful comments. This research was done with the financial help of the General Research Board, University of Maryland.

turned back to the taxpayers for personal consumption and not put into other policy areas. If this is the case, the real price of defense is merely the loss of luxuries for middle and upper classes.[1] However, this argument holds only if the income tax is truly progressive. Pechman's (1971) research indicates that effective tax rates are mildly progressive over most of the range of incomes but exhibit regressivity at high levels of income. Thus, the burden of defense is carried to a greater extent by lower income groups. The argument that defense merely displaces frivolous consumption has yet to be empirically supported.

The previous lines of theorizing hold that there is certainly no negative relationship between defense and other policy sectors and that there may be a positive relationship. Other theorists, however, take a contrary position and view defense and welfare policy goals as mutually exclusive. They argue that military burdens drain political, technical and economic resources from domestic programs. Wilensky contends that a foreign policy accenting military action without total and sustained mobilization is inflationary enough to enhance the policy appeal of the position "cut the domestic frills, balance the budget." (Wilensky, 1975, 79-80) Similarly, Russett contests the position that military spending is necessary to maintain overall demand in the modern economy and argues that defense expenditures are now more likely to force tradeoffs than they were thirty years ago. (1970, 133)

A related argument is that heavy defense investment retards the establishment of new welfare or health programs. If a country supports a burdensome defense, other domestic policies or programs may not be introduced or established because policymakers perceive the cost as insupportable given present and anticipated defense sector outlays. This possibility is legitimately a substitution effect although it cannot be empirically supported by examining current expenditure data. In another vein, government funded research and development is primarily concentrated in the defense and space industries while non-defense agencies do not have research and development programs that relate broadly to their entire mission. This continued imbalance in government research efforts also retards innovations in welfare, housing, and health care programs.

Existing Empirical Research

Empirical findings to date are mixed. The number of studies which indicate the existence of a tradeoff relationship approximates the number which show that none exists. A review of this research discussion will center on conceptual and methodological problems in these studies which account for some of the confusion.

Pryor is the only researcher to apply both cross-sectional and time-series data analyses to this question. His cross-sectional study of seven "capitalist" and seven "socialist" countries reveals no evidence of a substitution effect between non-military (all non-military expenditures are lumped together) and military expenditures for two different years: 1956 and 1962. (1968, 121) However, his time-series analysis for the period 1950-1962 uncovers a more varied pattern. In those countries where defense expenditures are a relatively small

proportion of the GNP, there exists no statistically significant inverse relationship between defense and current public expenditures. When defense expenditures are a relatively more important part of the governmental budget, a significant but small substitution relationship is evident, but only when transfer payments are excluded. When transfer payments are added to current expenditures, there is no substitution effect. (1968, 298) Similarly, in another time-series analysis over the period 1950-1970 for Sweden, the United Kingdom, Australia and the United States, Caputo finds that defense does not undercut welfare expenditures. (1975, 445-446)

Recent research on Latin American countries also indicates no tradeoff between these two expenditures. In an analysis of the relationship between defense and education expenditures, Ames and Goff obtain positive and significant correlations between changes in defense and education outlays and conclude that these two policies are not mutually exclusive. (1975, 181) Examining Brazilian budgetary outlays, Hayes also finds that when correlating levels of defense expenditures with what she terms "social development" expenditures, the correlation is positive. The rapid expansion of both the whole economy and the federal sector in Brazil over the period of her analysis is used to explain these results. Correlating spending ratios (category of expenditures/total federal expenditures), she obtains a negative but insignificant correlation. In sum, her analysis indicates that military spending does not have serious negative consequences for economic and social investment in Brazil. (1975, 33)

Lastly, similar results are found with cross-sectional data on approximately 120 nations reported in the World Handbook of Political and Social Indicators. Defense and health expenditures, each as a proportion of GNP are not inversely correlated. (Hudson and Taylor, 1972, 34)

While the results of these studies do not strongly support theoretical arguments which suggest a positive relation between defense and social welfare spending, neither do they support the substitution hypothesis of an inverse relationship. They do suggest that major decisions about the magnitudes of various public consumption expenditures are made in relative isolation from each other. Other empirical analyses, however, do find an inverse relationship between these expenditures.

In an analysis of defense spending in the United States between 1938 and 1969, Russett concludes that military spending undercut welfare first, then education and then health. (1970, 151) Looking at the post-World War II experience of Great Britain, France and Canada, he again gives a qualified "yes" to the question of substitution effects. (1970, 171-174) Wilensky's findings tend to corroborate those of Russett. Although his cross-sectional analysis indicates that military spending is irrelevant to welfare outlays, his "time-series analysis" shows that in nations with very large military budgets, war and welfare are mutually exclusive goals. He emphasizes the impact of the Cold War period as having the most obvious depressing effect on the growth of social welfare expenditures. In a sample of

sixteen countries, "great increases in military spending in 1950-1952 (military spending/GNP 1952 minus military spending/GNP 1950) are associated with small increases in social security spending for the whole period 1950-1966 (r=-.43)." (1975, 77-79)

In sum, empirical findings are not very consistent. Those research designs employing cross-sectional data show little or no support for a tradeoff or substitution effect while time-series studies have revealed more complex patterns. In the following section, discussion focuses on certain conceptual and methodological problems which characterize these studies and which cause their different results.

Conceptual and Methodological Issues

One source of variation in findings is whether the analysis is based on cross-sectional or time-series data. The argument here is that cross-sectional analysis is simply an inadequate approach to this question. Cross-sectional analysis reveals whether different countries exhibit budgetary tradeoffs at a single point in time. This information is simply not sufficient for rejection or acceptance of the substitution hypothesis which is better tested by examination of budgetary patterns of behavior over time. Results based on cross-sectional data may and have been shown to vary for different but close years for the same group of countries, causing problems in reaching any definite conclusion. (See Pryor, 1968, 231)

A second problem is that of those studies using time-series data, most have relied on relatively small time periods for their analysis. Usually this constraint is due to problems of data availability. However, analysis of very short time-series prevents strong generalizations and precludes empirical tests of oscillations in relationships during significant sub-periods.

Third, in research based on time-series analysis, either no or inadequate attention has been given to certain statistical problems. Especially noteworthy is the problem of serial correlation in regression and correlation analysis. If not eliminated, serial correlation leads to inaccurate tests of significance which are biased towards rejection of the null hypothesis. Thus, there is a high probability of accepting as true relationships which in fact are spurious. (Hibbs, 1974) In this case, researchers may erroneously infer the existence of a tradeoff when none actually exists.

Fourth, many existing studies have not been especially cautious when defining and operationalizing the expenditure terms. Specifically, the results of empirical analysis for tradeoffs or substitution effects are clearly influenced by the assumptions made about the nature of the allocation game. For instance, no substitutive effects may exist between absolute levels (or percapita amounts) of defense spending and absolute levels (or percapita amounts) of other governmental spending if the allocation process is an expanding-sum game represented by a

growing public sector. Negative shifts in the percentage allocation figures do not necessarily entail negative shifts in the absolute or percapita levels. The example given by Hayes underlines a simple but worthwhile point:

> Assume, for example, a government with $100 to spend in year 1, and $200 in year 2. If 15% of the budget is allocated to both military and welfare in year 1, each sector gets $15. In year 2, a one-to-one percentage tradeoff occurs and military gets 20% of the total while welfare gets only 10%. Military receives $40, a substantial increase, but welfare gets $20, still an increase over the previous year. (1975, 28)

Thus, welfare appears to be cut only in percentage terms since the absolute levels for both defense and welfare are increasing. However, a substitution effect is in fact occurring; the increase in the level amount for welfare is not as large as it would be if the defense increment was smaller. Simple correlation analysis of the level amounts does not reveal this and may lead the researcher to infer that a substitution effect does not occur. Thus, in the examination of tradeoff relationships, it is important to examine the ratios rather than the level or percapita amounts.

A fifth problem in this kind of research is suggested by a study which shows that tradeoff relations vary over different time periods. (Hollenhorst and Ault, 1971, 760-763) Estimation of a single tradeoff parameter for a long period of time may hide oscillation in the tradeoff relationship during sub-periods and hence bias results. In this case, the significant sub-periods are periods of war during which defense expenditures become more dominant and, as a result, lead to larger substitutions or tradeoffs than during periods of peace.

In sum, these pitfalls suggest the need for new analysis which is based on time-series data over a longer time period in which potential serial correlation is examined, the expenditures are measured as ratios and last, tests are done for changes in the tradeoff relationship in war and non-war years.

ANALYSIS

The following analysis tests the tradeoff hypothesis over the years 1929 through 1971 for the United States. Additionally, the analysis tests the possibility of changes in these tradeoff relationships during 1) World War II (1941-1945), 2) the Korean War (1950-1953) and 3) the Vietnam War (1965-1971) versus non-hot-war periods. The large number of years in the sample allows for a good test of variations in tradeoffs during three different types of war as well as a good number of non-war years.

Annual time-series expenditure data at the federal and total (federal, state and local) levels have been collected for the three policy areas: health, public aid and housing.[2] The purpose of this study is to analyze tradeoffs between

defense and domestic policies which are primarily distributive or re-distributive in nature, so education is not included. Also excluded are social security and veterans expenditures; in both cases, beneficiaries have "contributed" either through payroll taxes or military activity. In addition, social security expenditures come from a special fund separate from the normal budget so that the tradeoff notion is not very meaningful.

Description of the expenditure data

Health: Public health expenditures cover the following general categories: hospital and medical care, medical research, maternal and child health programs, school health, other public health activities and medical facilities construction.

With the exception of school health and state and locally owned hospitals, federal health spending is funneled into all of the above program areas. While there is no national health insurance covering the entire population, the federal government does provide hospital and medical care for specified groups of beneficiaries: Indians, Alaskan natives, lepers, narcotic addicts, federal prison inmates and smaller miscellaneous groups. The federal government also provides hospital and medical care for military personnel and their dependents and veterans. However, these defense-related expenditures have been excluded from the health figure, since they are more properly regarded as defense related expenditures necessitated by previous wars and maintenance of a peacetime army. Therefore, all defense related health expenditures are included under defense.

Federal, state and local financing covers medical research, medical facilities construction, programs for maternal and child health care and other public health activities. The federal contribution is usually larger in all of these program areas. This is especially the case with respect to hospital construction and medical research. Only county/state owned psychiatric, general or tuberculosis hospitals are completely financed by these levels of government.

Public Aid: Public aid expenditures refer to those programs that provide payments in cash or services to individuals and families. Unlike social insurance programs which pay benefits as an earned right, public aid programs rely on a means or income test to determine eligibility. The following programs are included under this expenditure category: Aid to Families with Dependent Children (ADC, AFDC); Old Age Assistance (OAA); Medical Assistance for the Aged (MAA); Aid to the Blind (AB); Aid to the Permanently and Totally Disabled (APTD); Medical Assistance (MA); state and locally financed General Assistance Programs (GA).[3]

Housing: Housing expenditures refer to government sponsored and/or supported programs that specifically aim to assist families in meeting their housing needs. These expenditures cover two broad categories of programs: 1) public housing owned and/or operated by a public body and 2) other housing programs which relate primarily to government programs designed to assist private industry in financing subsidized housing for low-income and moderate-income families. (Department of

Health, Education, and Welfare, 1968, 163)

Government loans for low-rent public housing or for college housing are not included on the grounds that they will be repaid or privately refinanced.[4] Programs providing credit facilities for home-financing institutions and mortgage and loan insurance programs are also excluded. For the most part, they have resulted in no net cost to the government since income from these programs exceeds expenditures. Finally, certain war emergency housing program outlays, primarily intended for the use of defense and wartime workers, have been subtracted from the expenditure series.

Estimation Technique

Since the regression equations in this study are estimated from time-series data, there is a potential problem of serial correlation. One of the assumptions of the classical normal linear regression model is non-autoregression in the residuals which implies that the disturbance occurring at one point of observation is not correlated with any other disturbance. This assumption is often violated in models of time-series data. When it is, the properties of the least squares estimators are no longer those of the best linear unbiased estimators. While they are unbiased and consistent, they are not asymptotically efficient (Kmenta, 1971, 278) Thus, conventional formulae for carrying out tests of significance or constructing confidence intervals for the regression coefficients may lead to incorrect inferences.

To solve this potential problem of serial correlation, a variant of Generalized Least Squares estimation is used. The Cochrane-Orcutt Method is employed to estimate the ρ or autocorrelation coefficient. See Cochrane and Orcutt, 1949, 32-61; Johnston, 1972, 262). This ρ is then used to transform the original data in the following manner and the equation is estimated via Ordinary Least Squares. Given the following equation,

$$Y = B_0 + B_1X + u$$

the transformed variables are:

$$Y^* = Y_t - \rho Y_{t-1}$$

$$X^* = X_t - \rho X_{t-1}$$

$$B_0^* = B_0(1 - \rho)$$

$$u^* = u_t - \rho u_{t-1}$$

This method of estimation will be used only when serial correlation remains after OLS estimation. If the Durbin-Watson test indicates no significant first-order serial correlation after OLS estimation, then GLS is not used and OLS

estimates are presented. In the more likely case of serial correlation, GLS helps to remove autocorrelation in the residuals and thus allow "safer" conditions for hypothesis testing.

Two equations are estimated for each of the three categories of expenditures:

1) $Y_1 = B_0 + B_1X + B_2D_1 + B_3Z_1 + B_4Z_2 + B_5Z_3 + u$

and 2) $Y_2 = B_0 + B_1X + B_2D_2 + B_3Z_4 + B_4Z_5 + B_5Z_6 + u$

where Y_1 = federal health or public aid or housing expenditure/total federal expenditures

Y_2 = total health or public aid or housing expenditures/total expenditures of all levels of government

X = real GNP percapita (1958 dollars)

D_1 = defense expenditures/total federal expenditures

D_2 = defense expenditures/total expenditures of all levels of government

Z_1 = D_1 in World War II years only, 0 for all other years

Z_2 = D_1 in Korean War years only, 0 for all other years

Z_3 = D_1 in Vietnam War years only, 0 for all other years

Z_4 = D_2 in World War II years only, 0 for all other years

Z_5 = D_2 in Korean War years only, 0 for all other years

Z_6 = D_2 in Vietnam War years only, 0 for all other years

B_2 is the estimate of the peacetime relationship between the proportion spent on defense and the proportion spent on the other expenditure categories. It should be negative and significant if the prediction of the tradeoff hypothesis is correct. The sum of the coefficients B_2 and B_3 estimates the relationship during the World War II years. The relationships for the Korean and Vietnam wars are the sums $(B_2 + B_4)$ and $(B_2 + B_5)$ respectively. The estimate B_1 acts as a control for the relationship between GNP/population and the growth of the three expenditures and

should be positive.

In cases where the t value(s) for the interaction coefficients (B_3 through B_5) is/are insignificant[5] (i.e., the tradeoff does not appear to change during war years), it is possible that multicollinearity is causing depressed t values. To check out this possibility, the hypothesis is tested that any two or three of the war periods jointly have different tradeoff effects from peacetime years. For example, to test for the joint impact of the World War II and Korean War experiences on the relationship, the following test is constructed:

$$t = \frac{B_3 + B_4 = 0}{\sqrt{B_3^2 + B_4^2 + 2\,\mathrm{Cov}_{B_3B_4}}}$$

a significant t allows one to infer that the joint change in the tradeoff relationship during the years of World War II and the Korean War is significantly different from the tradeoff relationship during peacetime years.

Results

Health: The estimates for both federal and total health expenditures are given in Table 1. Since serial correlation remains after Ordinary Least Squares estimation, Generalized Least Squares, as previously described, has been used to estimate these equations. In both cases, the Durbin-Watson values for the GLS Equations surpass the upper boundary value of 1.58 required to accept the hypothesis of no serial correlation at the .01 significance level.

Overall, the model fares poorly. Although the R^2 is biased due to the use of GLS (Generalized Least Squares), its low value of .11 and the insignificance of all of the estimates (including GNP) suggest the model is inadequately specified for federal health outlays. The evidence points to no defense-federal health tradeoff during either peacetime or periods of war. Nor is there evidence of a joint tradeoff effect during the combined war years.

A significant tradeoff does take place, however, for total health expenditures. With each percentage increase in the defense ratio during years of peace, the health share of total expenditures declines by about .03%. The results indicate no significantly different (larger or smaller) tradeoff during the Vietnam War. However the tradeoff is greater by .003 during World War II and smaller by .005 during the Korean War years. While these changes in the tradeoff are almost significant at the .05 level, they do not represent strong oscillations.

Public Aid: GLS estimates are given for the same equations in Table 2 for federal and total public aid expenditures. Again, the new Durbin-Watson values are large enough to reject the presence of first-order serial correlation. A substantial tradeoff or substitution occurs between public aid and defense for both

Table 1: Health

Dep. Var.	Intercept	X	D_1	Z_1	Z_2	Z_3	R^2	RMSE	Durbin-Watson
Federal health expenditure ratio	.040 (2.178)	-.3-06 (-1.323)	-.003 (-1.095)	.001 (.785)	.001 (.762)	.002 (.735)	.11	.001	1.79

Dep. Var.	Intercept	X	D_1	Z_4	Z_5	Z_6	R^2	RMSE	Durbin-Watson
Total health expenditure ratio	.031 (13.399)	.4-07 (.390)	-.026 (-6.712)	-.003 (-1.420)	.005 (1.882)	.003 (.838)	.82	.002	2.02

The first figure refers to the unstandardized coefficient. The figure in parenthesis is the t value. RMSE is the root mean square error for the equation.

expenditure measures. Each percentage increase in the federal defense ratio takes .25% from the public aid share; each percentage increase in the total defense ratio is obtained by taking .15% from the public aid share of total expenditures. This tradeoff does not change in either direction during any of the wars, nor is there any evidence to suggest a joint wartime change in the tradeoff. Lastly, the economic term is not significant, underscoring the lack of a relationship between the success of welfare in the budget and the state of the economy.

In conclusion, while the model does not explain a large proportion of the variance in either expenditure share, the significance and size of the defense term underlines the importance of the tradeoff notion in predicting public aid outlays in the United States.

Housing: Table 3 presents the results for housing policy. The analysis does not favor the tradeoff hypothesis either in years of peace or war for the federal housing ratio. Nor is there any evidence of a combined war tradeoff during World War II and the Korean War. During the Vietnam War years, the relationship is actually positive, contrary to the predictions of the tradeoff hypothesis.

Results from analysis of total housing expenditures are less definitive. While no tradeoff takes place between the total defense and total housing ratios in peacetime, the t values for the interaction terms for World War II and the Korean war years are negative and quite large though not conventionally significant. A test for their joint significance was computed and the new t is -1.47, significant at the .10 level. If significance requirements are relaxed, the analysis suggests that public housing programs were hurt more during World War II and the Korean War than during non-war years when they were not hurt at all. Last, while GNP has no effect on federal public housing policy, it is important to the total housing expenditure share.

Conclusion

The substitution or tradeoff hypothesis is supported to different degrees for each of the three policy areas considered. Public aid programs are most undermined by defense. Since these expenditures constitute over time a much larger proportion of both the federal and total U.S. budgets than either health or housing combined, it is not surprising they are more sensitive to defense. In addition, these expenditures are the most explicitly redistributive in nature, and therefore, the most politically sensitive, so they are more likely to suffer when defense spending is rising.

A health-defense tradeoff also occurs in the case of health expenditures by all levels of government. The tradeoff is smaller than that between public aid and defense but nevertheless significant. However, while the substitution effect between actual levels of expenditures on health and defense is smaller than for public aid, the fact that no national health insurance has been enacted may be in part due to the defense burden on the budget. As noted earlier, this is a potential

Table 2: Public Aid

Dep. Var.	Intercept	X	D_1	Z_1	Z_2	Z_3	R^2	RMSE	Durbin-Watson
Federal public aid expenditure ratio	.264 (3.115)	-.3-05 (-.713)	-.256 (-2.563)	.077 (1.327)	.008 (.124)	.019 (.193)	.25	.049	1.71

Dep. Var.	Intercept	X	D_1	Z_4	Z_5	Z_6	R^2	RMSE	Durbin-Watson
Total public aid expenditure ratio	.194 (2.764)	-.3-05 (.941)	-.149 (-2.412)	.005 (.182)	.007 (.187)	.008 (.125)	.22	.031	1.87

The first figure refers to the unstandardized coefficient. The figure in parenthesis is the t value. RMSE is the root mean square error for the equation.

Table 3: Housing

Dep. Var.	Intercept	X	D_1	Z_1	Z_2	Z_3	R^2	RMSE	Durbin-Watson
Federal housing expenditure ratio	.007 (.970)	-.5-06 (-.967)	.013 (.935)	-.006 (-.788)	-.003 (-.358)	.026 (2.059)	.17	.008	1.99

Dep. Var.	Intercept	X	D_1	Z_1	Z_2	Z_3	R^2	RMSE	Durbin-Watson
Total housing expenditure ratio	-.6-03 (-.839)	.8-07 (1.835)	-.4-03 (-.287)	-.001 (-1.443)	-.001 (-1.318)	.1-03 (.099)	.33	.0008	1.86

The first figure refers to the unstandardized coefficient. The figure in parenthesis is the t value. RMSE is the root mean square error for the equation.

substitution effect which analysis of actual expenditure data cannot reveal. Given the high level of the existing budget, of which defense is a major contributor, and given the costs of establishing some form of national health insurance, one could argue that enactment of the latter has been delayed (although there are obviously other factors, as well, which have prevented the establishment of national health insurance).

Housing is least affected by defense spending. For most of the time period, no substantial tradeoff has transpired, although tentative evidence suggests that World War II and the Korean War did have limited adverse impacts on public housing programs. To some extent, the lack of a substantial tradeoff here may be due to the minimal share of federal or total expenditures devoted to housing needs. The lower political sensitivity of housing and its small share of the budget may dispose policy-makers to choose other domestic areas to cut for defense purposes. As suggested earlier, only when a policy sector constitutes a "significant" share of the budget, does it appear that its allotment is adversely affected by military needs.

Tests for changes in the tradeoff during periods of military mobilization reveal no substantial differences for the most part. During World War II, the health-defense tradeoff grows by .3% while it declines by .5% during the Korean War. One explanation for this switch is that World War II was more expensive and hence a little more costly in terms of health than was the Korean War. Unmet health needs after World War II stimulated greater health expenditures in the early 1950's inspite of the Korean War. For instance, expenditures under the 1946 Hill-Burton program which initiated federal grants to assist states in hospital construction, increased significantly during years of the Korean War. In the case of total housing expenditures, a very small housing-defense tradeoff takes place during World War II and the Korean War while none occurs during any of the other years. Generally, the lack of substantial oscillations in these tradeoffs is that defense spending did not decline after World War II and Korea due to the beginning of the Cold War. Prevailing heavy defense investment in non-war years during the 1950's and early 1960's contributed to tradeoffs equivalent to those in war years. This suggests that "war" is not a very relevant concept per se in explaining tradeoffs if defense outlays remain almost as high during years of peace as they are in periods of war. Another argument for the lack of substantial tradeoff changes is that tax increases during war periods expand the budgetary pie which allows higher defense outlays without hurting domestic programs more than they are hurt in non-war years.

In conclusion, this analysis has focused on tradeoffs between three domestic public policies and defense programs. Future research is needed on the impact of defense on other public programs. In addition, since the private sector also provides welfare, housing and health services, it is important to know the impact of a heavy defense burden on the private sector levels of these services. For instance, does a heavy defense burden cause a decline in private health consumption of medical care because of higher tax rates (due in part to defense spending) which cause lower personal income? Does defense spending lead to lower levels of private

hospital or housing construction because the government employs deficit financing to support its defense burden and thus competes for loanable funds with private bidders? Answers to these questions would add further information to the extent of the warfare-welfare tradeoff.

Endnotes

[1]While this is not Russett's argument, he discusses it in What Price Vigilance, 1970, p. 139.

[2]Data sources are:

1) U.S. Department of Commerce, Bureau of the Census, Historical Summary of Government Finances in the United States, 1902-1957 (Washington, D.C.: U.S. Printing Office, 1959).

2) U.S. Department of Health, Education, and Welfare, Social Security Administration, Office of Research and Statistics, Social Welfare Expenditures Under Public Programs in the United States, 1929-1966, Report No. 25 compiled by Ida C. Merriam and Alfred M. Skolnik (Washington, D.C., 1972).

3) U.S. Department of Health, Education, and Welfare, Social Security Administration, Office of Research and Statistics, Social Welfare Expenditures, 1970-71; 1971-72 compiled by Alfred Skolnik and Sophie R. Dales (Washington, D.C., 1971 and 1972).

[3]Expenditures on the Food Stamp and Commodity Surplus Programs are not included in this series.

[4]However, since these loans are made at below-market interest rates, they could be included in the expenditure series to the extent that a subsidy is being provided the borrower.

[5]Significance is understood to mean the .05 level in this analysis.

References

Ames, Barry and Ed Goff. 1975. "Education and Defense Expenditures in Latin America: 1948-1968". In Comparative Public Policy edited by Craig Liske, William Loehr, and John McCamant. New York: Halstead Press.

Baran, Paul, and Paul Sweezy. 1966. Monopoly Capital. New York: Monthly Review Press.

Caputo, David. 1975. "New Perspectives on the Public Policy Implications of Defense and Welfare Expenditures in Four Modern Democracies: 1950-1970." Policy Sciences 6: 423-446.

Department of Health, Education, and Welfare. 1968. Social Welfare Expenditures Under Public Programs, 1929-66. Research Report No. 25. Washington, D.C. Government Printing Office.

Eckstein, Otto. 1963. "Discussion." In National Security: Political Military Economic Strategies in the Decades Ahead, edited by David Abshire and Richard V. Allen. New York: Praeger.

Gouldner, Alvin W. 1970. The Coming Crisis of Western Sociology. New York, New York: Basic Books.

Hayes, Margaret Daly. 1975. "Policy Consequences of Military Participation in Politics: An Analysis of Tradeoffs in Brazilian Federal Expenditures." In Comparative Public Policy edited by Craig Liske, William Loehr, and John McCaman. New York: Halstead Press.

Heclo, Hugh. 1974. Modern Social Politics in Britain and Sweden. New Haven: Yale University Press.

Hibbs, Douglas A., Jr. 1974. "Problems of Statistical Estimation and Causal Inferences in Time-Series Regression Models." In Sociological Methodology 1973-1974. San Francisco: Jossey-Bass.

Hollenhorst, J., and G. Ault. 1971. "An Alternative Answer to: Who Pays for Defense?" American Political Science Review 65 (September): 760-763.

Johnston, J. 1972. Econometric Methods. New York: McGraw-Hill.

Kmenta, Jan. 1971. Elements of Econometrics. New York: Macmillan.

Pechman, Joseph. 1971. Federal Tax Policy. Washington, D.C.: Brookings.

Pryor, Frederic L. 1968. Public Expenditures in Communist and Capitalist Nations. London: George Allen and Unwin Ltd.

Rimlinger, Gaston. 1971. Welfare Policy and Industrialization in Europe, America and Russia. New York: John Wiley and Sons.

Russett, Bruce M. 1970. What Price Vigilance? New Haven: Yale University Press.

Wilensky, Harold. 1975. The Welfare State and Equality. Berkeley: University of California Press.

THE WELFARE EFFORT OF THE UNITED STATES: KNOW THEN THYSELF

Leonard S. Miller, Associate Professor
Marleen Clark, MSW

School of Social Welfare, University of California, Berkeley

The Argument and the Findings

It seems obvious that the United States is not meeting the welfare needs of all its citizens in a adequate and equitable manner. But, it is neither clear what rearrangement of national priorities would result in more resources for welfare state usage, nor, given the resources at its disposal, is it clear what priorities and activities within the welfare state would lead to best meeting the needs of its users. Countrymen, what is to be done?

There are two basic strategies that can be followed. One focuses on securing larger budgets for the welfare state, the other focuses on making more efficient usage of existing budgets. The purpose of this article is to come to some judgement, albeit tentative, about the probable success of pursuing the first strategy, and to suggest areas of priority relevant to the second strategy. To facilitate the making of these judgements we make three calculations which comprise the body of this paper and they have some intrinsic interest of their own.

Let us begin with the strategy of increased budgets. Two questions relevant to this strategy are immediate: what is the likelihood of anticipating a major welfare state budget change in the near future?; and what is the likelihood that the military budget would offer a source of funds for such an increase?

Wilensky has argued that welfare states in advanced nations structurally resemble one another, and that this pattern of similarity increases with the development process.[1] Following Wilensky's work one of the authors of this paper showed that the magnitude of national welfare efforts in 64 nations throughout the world are similarly determined by supply and demand forces.[2] There appears to be a structural pattern, an international "social normalcy," or expectation about what constitutes the appropriate size of any national welfare state, given a basic national description. If, as Wilensky argues, patterns are converging, then one should anticipate that national welfare state budgets smaller (larger) than expected would be more (less) likely to increase over time than to decrease (increase) over time. Our first calculation determines whether the size of the United States welfare effort is more or less than expected when the size of her per capita income, the size of her military effort, the proportion of her aged, and her political system are considered simultaneously. Contrary to the rather commonly held opinion we find that the United States is not a welfare state laggard, but for 1966 at least, she spent more than would be predicted, given her description. From the argument above it follows that the U.S. is less likely to increase her welfare state size

than if she actually were a laggard.

The second question relevant to the increased resources strategy is to determine where budget increases might come from and how large they might be. The single largest competitor to the welfare state for resources is the defense budget. Consequently, it may appear as a likely source for welfare state funding increases. David Stockman's most interesting article in the Public Interest argues persuasively, in our opinion, that very little can be expected from this source. We quote:

> The basic problem is that strategic weapons and other military hardware have always constituted the primary targets for cuts, but the share of the defense budget attributable to these items has dropped from nearly 50 per cent in 1964 to less than 30 per cent during the current fiscal year (or in 1975 dollar amounts, from $38 billion in the former year to $23 billion today). This rather pervasive shift is largely the result of the escalating costs of manpower under the volunteer army. Since the latter is probably invulnerable at present, the effect has been to narrow the target for defense budget reductions quite substantially.[3]

In relentless pursuit of even the possibility of a diminished defense budget, we ask how much of each reduced dollar of defense spending should one expect society to transfer to welfare state purposes? To estimate an answer to this question we first formulate and estimate a model that describes this historical welfare effort of the United States. Based on this model we estimate the welfare-warfare trade-off, the increase in the welfare state budget that is expected from saving a dollar of defense expenditures. We find that six cents is the expected welfare state budget allocation for every dollar saved from the military budget.

The combination of a welfare state level that is above "normal" in size, and consequently less likely to increase than to decrease, the likelihood that defense is not subject to severe cuts at this time, and the rather small increases in welfare budgets that would follow a successful effort to demilitarize, suggest that a strategy to increase the welfare budget, at least through marauding the defense budget, is likely to be bankrupt. Consequently, our focus shifts and attention is directed to the welfare state itself.

Using the historical model of the United States welfare effort, developed to estimate the welfare-warfare tradeoff, which is naturally limited in its considerations of possible welfare state programs, we estimate where future welfare state problems probably lie and indicate how present research and planning might best prepare for expected future increases. Our results suggest that problems associated with aging populations are the number one future priority. This result is in agreement with the recent call for the development of the technology of care, or maintenance programs, within welfare.[4] The discussion that follows indicates in greater detail the analysis and methodology behind the calculations that led us to the above judgements.

Are U.S. Welfare State Expenditures Greater Than or Less Than Expected?

The United States has been characterized as a welfare state "laggard," a description that is beset with negative performance characteristics: the failure to spend some expected proportion of GNP; a level of spending that is low in comparison to other rich nations; a nation slow to start social programs, such as workmen's compensation and national health insurance, and one that is grudging in its support of programs once they have begun.[5,6] In short, the laggard view placed the United States in the company of the reluctant public welfare providers, such as Australia, Canada, Japan and Switzerland, in contrast to the welfare state leaders, West Germany, Belgium, Austria, the Netherlands, and France. How does this view hold up under analysis?

A decade ago the United States' welfare effort (government expenditures on welfare and health as a proportion of GNP) was 7.9%. How close is this value to the value that would be predicted for any country with similar per capita GNP, military effort (government expenditures on military as a proportion of GNP), political system, and proportion aged in the population? A recent international study of the structural determinants of the welfare effort by one of the authors estimated a relationship between these descriptive variables and the welfare efforts of 64 nations (23 of which were advanced nations).[7] That model predicts a 1966 U.S. welfare effort of 7.4%, a half of a percentage point less than the actual U.S. performance.

As the United States has the highest GNP per capita it might be suspect of being an outlier, a nation not appropriately represented by the estimated international model. While there may be some truth in this point, one's reservations might be tempered with the knowledge that of the four explanatory variables in the model only in GNP per capita was the U.S.'s variable values at an extreme. Moreover, the implications that follow from excluding the U.S. from the international model's estimation lead to a comparative portrait of the U.S. showing her even more relatively advanced than that described above. Because (1) the U.S. welfare expenditures were less than those predicted by the model, and (2) the method of least squares was used to estimate the model's coefficients, excluding the U.S. from the estimation sample only results in an international model that predicts less of a U.S. effort than the model that includes her in its estimation. In point of fact, a model estimated without the U.S. predicts a U.S. effort of only 6.9%, a full percentage point less than her actual performance. Tests showed no significant differences between the estimates of the two models. Because we will be using two of these international coefficient estimates in the section to follow we present them in Table I.

TABLE I: Estimates of the Structural Determinants of the Welfare Effort

Variables[a]	Units	Coefficient Estimates U.S. Included	Coefficient Estimates U.S. Excluded
Constant		8.834.10E-1†	8.998.10E-1†
HG	$	-2.598.10E-3+	-2.793.10E-3*
HM	% GNP	1.696+	1.681+
HM^2	% GNP	-1.606.10E-1+	-1.612.10E-1+
LG	$	5.304.10E-3+	5.248.10E-3+
HA	Proportion of population	1.211.10E2+	1.245.10E2+
P1	Nominal	4.721+	4.755+
P2	Nominal	2.239*	2.259*
P3	Nominal	6.190.10E-1	6.188.10E-1+

a) H and L denote high and low income countries: G = GNP per capita, M = military effort, A = proporation of population aged 65 and over; P1, P2, and P3 are the political system indicators - totalitarian, liberal democratic and authoritarian oligarchic states, respectively. See Wilensky (1975), p. 138 for the classification by nation. The United States is a liberal democratic state.

* = significant at $\alpha = .05$

+ = significant at $\alpha = .01$

† = No standard errors are provided by the algorithm.

Our positive difference between actual and estimated expenditure level contradicts Aaron's finding that estimated U.S. welfare expenditures (again, as a percentage of GNP) exceeded actual expenditures.[8] The goal of his study was also to discover if there were common determinants of social security expenditures. He had a sample of twenty-two countries and found the most important determinants to be per capita income, age of the social security system, and household saving. His model predicted a U.S. welfare effort for 1956-57 at 6.2%, while the actual U.S. effort was 4.9% (these figures are based on data somewhat different from ours, and accordingly only the difference between us is important to this argument). There seems to be a clear difference between these two results. We are somewhat comforted by the fact that while Aaron found age of the system to be one of his three most important explainants it only accounted for an additional one-half of one percent of the variance in welfare effort in the international model discussed above after GNP per capita, proporation aged, military effort, and political system

had been included. While there is need for further clarification on the comparison between predicted and actual welfare state expenditures, we must tentatively reject the supposition that the United States is somehow performing below expectations.

The Potential Welfare-Warfare Tradeoff

If expenditures on welfare and expenditures on warfare were the only social choices, then every dollar withheld from military expenditures would be available for welfare expenditures. This is obviously not the case, as the competition for government monies extends into every sector of social concern. Including, as one should, the possibility of not collecting taxes, the competition extends into every private concern as well. This recognition prompts us to ask how much of each dollar withheld from military expenditures can one expect to be allocated to welfare expenditures? We call this reallocation the potential welfare-warfare tradeoff.

Estimating the magnitude of this tradeoff is quite straightforward. First, one needs an explanation for the size of the welfare effort as a function of the size of the military effort. For illustrative purposes we can use either of the international models presented in Table I. We say illustrative because a cross-sectional international model is only suggestive of average changes which may occur in some artifact average nation. It is not an appropriate description for any particular country.

Second, using this explanation, one can calculate the rate of change in the welfare effort due to a unit reduction in the military effort. The derivative of the welfare effort supply with respect to the military effort, according to Table I (U.S. included model) and evaluated at the U.S. military effort for 1966 (9.1 per cent), yields the result that a unit decline in military effort, which in this case is 1 percentage point, produces a 1.23 unit increase in welfare effort, which in this case is 1.23 percentage points. If the dollar increase in welfare spending arising from the dollar decline in military spending is divided by the dollar decline in military spending we have the welfare-warfare tradeoff—the welfare increase for each dollar reduction of military expenditures. Thus the third step is to determine the dollars associated with the 1 percentage point decline in military effort and the dollars associated with the 1.23 percentage points rise in welfare effort and then to divide the former into the latter.

Let $M measure the dollar reduction in military expenditures and $W measure the military-induced increase in welfare expenditures. Given our data, $M is the product of (1) the military effort, which is the ratio of military expenditures to the GNP, (2) the GNP per capita, and (3) the population size. Similarly, $W is the product of 1.23 times (1) the welfare effort, which is the ratio of welfare expenditures to the GNP, (2) the GNP per capita, and (3) the population size. Dividing the former expression into the latter expression yields:

$$\text{(1) Welfare-Warfare tradeoff} = \frac{\$W}{\$M} = \frac{(1.23)(\text{Welfare effort})(\text{GNP/capita})(\text{capita})}{(\text{Military effort})(\text{GNP/capita})(\text{capita})}$$

The latter two terms of this expression cancel. According to Wilensky's data the tradeoff is simply:

$$\text{Welfare-Warfare tradeoff} = \frac{(1.23)(7.9\%)}{(9.1\%)} = 1.07.$$

A welfare-warfare tradeoff of approximately 1 means that if the international model were the appropriate model, and if one were only interested in welfare expenditures, demilitarization would be a fruitful goal--every dollar saved from military expenditures would result in the increase of a dollar in welfare expenditures. This result implies that no other private or social interests would capture any of these savings.

For our purpose, a more accurate calculation of this tradeoff would result from an analysis of the welfare effort of the United States itself. To fulfill the task of calculating a reasonable estimate of the welfare-warfare tradeoff for the U.S. we must first estimate an historic model of the U.S. welfare experience, and then apply the methodology just illustrated. The data used to estimate the model are U.S. observations for the years from 1935-1973. The structure of this model, built on supply and demand forces, will parallel that developed for the international model. Let us turn to supply considerations first.

The Variables of the U.S. Historical Model

Military effort, similar to the international model, is measured as the proportion of GNP spent for national defense. Results from the international model suggest that military efforts of more than 5.5 percent of GNP substitute for welfare efforts. Except for the five years we considered that preceded World War II, annual military efforts have exceeded 5.5 percent, with few exceptions. Thus, a negative, or substitute, relationship between military expenditures and welfare expenditures is expected.

This expectation conforms with previous research on the question. Russett found significant decreases in health, education, and welfare spending when defense spending increased, with the greatest decrease in welfare programs.[9]

It would seem sufficient to specify the military effort measure in an equation for welfare effort and anticipate a negative sign on its coefficient. However, to test for the possibility of a somewhat more complicated curvature in the relationship between welfare effort and military effort we began by including both the military effort value and the square of the military effort variable in the welfare effort specification.

In the international model we found that increases in per capita GNP in the rich nations led to diminishing percentage GNP expenditures on welfare. There, per capita GNP was considered as a supply variable, which was probably a specification error. Per capita GNP actually measures both the availability of resources, which is supply related, and the national income, which is demand related. As a supply measure the availability of resources should be positively related to welfare. The more resources that are available, the more that can go to welfare. As a demand

measure the opposite prediction is expected. Positive increments in national income, over the historic period in question, are usually interpreted to mean that people are better off. Consequently, their welfare needs are lower and they demand less welfare. These arguments imply that the effect of an increase in per capita GNP on welfare effort is ambiguous. If the supply forces exceed the demand forces, the sign of the coefficient on per capita GNP should be positive. If the demand forces exceed the supply forces the sign of the coefficient on per capita GNP should be negative. And if there is a balance between these two forces the estimate of the coefficient on per capita GNP should not differ (statistically) from zero. We turn now to considerations about less ambiguous demand variables.

While populations at risk are more or less able to voice their needs, society has collectively determined that certain groups have needs which require public responses, and has fashioned a welfare system to respond to these needs. The major groups so recognized are the aged, children in need, and workers whose connections with the market has been temporarily or permanently disrupted. Direct and indirect measures of these populations should provide reasonable demand variables.

The proportion of the population aged 65 and older is an obvious choice—it was the most important variable in the international model. There is no reason to believe that this variable would be any less important in the United States. We expect a positive relation between the proportion aged and the welfare effort.

There appears to be an increasing propensity for women in disrupted families to form separate households than in the past.[10] It seems plausible to believe that female-headed families, particularly those with children, are a higher-risk group (in terms of needing aid from the public sector) than families in general. The proportion of primary families which are female-headed becomes the second demand variable. As the proportion of female-headed families rises, we expect the welfare effort to rise as well.

Unfortunately, accurate and comparable data on both female-headed and primary families were not available prior to 1950. Consequently, an indicator variable, which we denote D_F, was also included in the specification for welfare demand. Between 1935 and 1949 the indicator variable takes on the value 1 and the proportion female-headed of primary families takes on the value zero. Between 1950 and 1973 the indicator variable takes on the value 0, and the proportion female-headed of primary families takes on its estimated value.

The annual unemployment rate, an average of the monthly rates, also measures welfare effort demand. The reasons seem obvious. Unemployment benefits and welfare payments to those whose benefits have been exhausted or to those who were not covered in the first place are part of welfare effort. In addition, in times of high unemployment some people, ineligible for Social Security benefits solely because of earned income, are made eligible by unemployment and collect those benefits.

While there may be some methodological argument about the accuracy of government data with regard to unemployment (especially for the earlier period of our

analysis), we consider the annual rate an adequate approximation of the condition of the labor market in any one year. As unemployment rises we expect welfare effort to rise as well.

There is no doubt that other variables could be considered here as well, but we believe these three to be sufficient to test our specification. We did not use data strictly comparable to that used in the international model, due to different sources. Details may be found in the Appendix. One final point: we chose to lag the annual demand variables by one year as we expected that their full impact would not be felt until that time.

In summary, and to clarify notation that is to follow, the following variables are included in the model:

W^S	welfare effort supplied, the proportion of GNP allocated to public expenditures on health and welfare
W^D	welfare effort demanded, which is not measured
GNP	gross national product per capita, converted to 1966 prices
MIL	military effort, the proportion of GNP spent on national defense
MIL^2	military effort, squared
AGED	the proportion of the population which is aged sixty-five and older
UN	the average of monthly unemployment rates
FHF	the proportion of primary families which are female-headed
D_F	an indicator variable taking on the value of 1 or 0 as the year is before 1950 or is 1950-73, respectively
ε	a random variable.

Model Specification

Equations (2) and (3) denote the supply and demand equations, respectively.

$$(2) \quad W_t^S = \beta_0 + \beta_1 GNP_t + \beta_2 MIL_t + \beta_3 MIL_t^2 + \beta_4 W_t^D + \varepsilon_{St}$$

$$(3) \quad W_t = \gamma_0 + \gamma_1 GNP_t + \gamma_2 AGED_{t-1} + \gamma_3 UN_{t-1} + \gamma_4 FHF_{t-1} + \gamma_5 D_{Ft-1} + \varepsilon_{Dt}$$

Substituting equation (3) into (2) yields the model to be estimated:

$$(4) \quad W_t^S = (\beta_0 + \beta_4\gamma_0) + (\beta_1 + \beta_4\gamma_1)GNP_t + \beta_2 MIL_t + \beta_3 MIL_t^2 + \beta_4\gamma_2 AGED_{t-1} + \beta_4\gamma_3 UN_{t-1} + \beta_4\gamma_4 FHF_{t-1} + \beta_4\gamma_5 D_{Ft-1} + \eta_t$$

where $\eta_t = \varepsilon_{St} + \beta_4\varepsilon_{Dt}$

Table II presents, in summary form, the hypotheses associated with the estimates of the coefficients. Descriptive statistics of the variables are displayed in Table III.

TABLE II

Hypotheses on the Estimate of the Specified Model

Variable	Coefficient	Null	Alternate
Constant	$\beta_0 + \beta_4\gamma_0 = \delta_1$	$d_0 = 0$	$d_0 \neq 0$
GNP_t	$\beta_1 + \beta_4\gamma_1 = \delta_2$	From the discussion of the hypotheses about GNP we would expect $\beta_1 > 0$, $\beta_4 > 0$, and $\gamma_1 < 0$. Therefore,	
		$d_1 = 0$	$d_1 \neq 0$
MIL_t	$\beta_2 = \delta_2$	$d_2 = 0$	$d_2 > 0$ if $d_3 < 0$ < 0 if $d_3 = 0$
MIL_t^2	$\beta_3 = \delta_3$	$d_3 = 0$	$d_3 < 0$
$AGED_{t-1}$	$\beta_4\gamma_2 = \delta_4$	$d_4 = 0$	$d_4 > 0$
UN_{t-1}	$\beta_4\gamma_3 = \delta_5$	$d_5 = 0$	$d_5 > 0$
FHF_{t-1}	$\beta_4\gamma_4 = \delta_6$	$d_6 = 0$	$d_6 > 0$
D_{Ft-1}	$\beta_4\gamma_5 = \delta_7$	$d_7 = 0$	$d_7 > 0$

TABLE III
Descriptive Statistics of the Historic Model's Variables

Variable	Units	n	Maximum	Minimum	Mean	Standard Deviation
W^S	Proportion of GNP	38	0.115	0.019	0.063	0.022
GNP	$1000	38	4.474	1.508	2.904	0.799
MIL	Proportion of GNP	38	0.383	0.010	0.101	0.087
AGED	Proportion of the Population	38	0.100	0.061	0.084	0.012
UN	Percent of Labor Force	38	20.100	1.200	6.510	4.930
FHF	Proportion of Primary Families	23	0.115	0.093	0.101	0.006

Estimation of the Historic Model

Our first estimate (Model 1, Table IV) indicates that the forces of increased resource availability and decreased demand are in balance. The coefficient on the percapita GNP term estimates not statistically different from zero. The model 1 estimates also show that the more complex curvature between military effort and welfare effort is unnecessary. The coefficient on the square of the military effort term is also not statistically different from zero. All other estimates are statistically different from zero in the predicted directions.

Unfortunately, the Durbin-Watson statistic indicates that there is a problem of autocorrelation, a not uncommon occurrence in time-series analysis.[11] Consequently, we have reason to doubt whether these estimates are best linear unbiased. The Durbin-Watson d statistic has a distribution that depends on sample size and the number of variables in the specification. For example, the area of uncertainty for 38 observations and 5 variables lies between 1.12 and 1.70. A d less than the lower limit of 1.12 indicates autocorrelation; a value above the upper limit of 1.70 indicates the absence of autocorrelation at the 5 percent level of significance. A value lying in the area between the limits is considered inconclusive. Since the d

value for model 1 is 1.17, the odds heavily favor the presence of autocorrelation.

The standard method to rectify this problem is to substitute the procedures of generalized least squares for those of ordinary least squares.[12] While the methodology to do this is straight forward, its employment requires one to know (in this case) the intertemporal relationships between the error terms of equation (4). After considerable experimentation the best meaningful intertemporal relationship we could find was a simple correlation between an error and its 4 year lagged error. Such an error structure suggests a life cycle in the office of the presidency. Relative advances and declines in annual welfare efforts are made during particular phases of the four year cycle. After transforming Model 1's variables to neutralize its autocorrelation, model 1 was re-estimated. These results appear in Table IV as Model 2. Having verified that the per capita GNP and MIL^2 coefficients were indeed not statistically different from zero. we eliminated them from the specification. We then estimated the simplified specification with ordinary least squares, which is presented as Model 3, used these estimates to construct the generalized least squares variable transformations, then re-estimated Model 3 to obtain our final results, which appear in Table IV as Model 4.

Note that the generalized least squares procedure increased the Durbin-Watson d from a value of 1.06 for the variables in the Model 3 to a value of 1.55 for Model 4. While the value of 1.55 does not suggest the absence of autocorrelation (at the .05 level of significance), it shows considerable improvement over the ordinary least squares estimates.

Estimating the Welfare-Warfare Tradeoff

As we expected, military spending erodes welfare spending, but not to the extent that the international model suggested that it would. A one percentage point increase (decrease) in military spending is associated with 9/100th of a percentage point decrease (increase) in welfare spending. Substituting the U.S. average military effort, 10.1 percent, and the U.S. average welfare effort, 6.3 percent, and the rate of increase in welfare effort for a decrease in military effort of 1 percentage point, .09, into equation (1), yields a U.S. historic welfare-warfare tradeoff of only .056. Unless there is some major qualitative change in the historic determinants of welfare, one should expect 6 cents, on the average, to be shifted over to welfare for every dollar saved from military expenditures.

Interpreting the Demand Variables of Model 4

As in the international model the proportion of persons age sixty-five and older proves to be a significant determinant of the welfare effort. An increase of 1 percentage point in the proportion aged leads to an increase of 1.3 percentage points in the welfare effort. Changes in the proportion aged affect welfare similarly in both the international model and the U.S. historic model.

TABLE IV

Estimates of the Historic Determinants of United States Welfare Effort

Variable	Model 1	Model 2	Model 3	Model 4
Constant	-.29627+	-.25382+	-.25670+	-.25985+
	(.05894)	(.05048)	(.02402)	(.01640)
GNP	-.00788	-.00064		
	(.00742)	(.00630)		
MIL	-.15901*	-.14753+	-.08700+	-.08992+
	(.06562)	(.05357)	(.01757)	(.01646)
MIL^2	.21395	.14314		
	(.15254)	(.12183)		
AGED	1.48851+	1.29001+	1.12929+	1.29851+
	(.52085)	(.43886)	(.39345)	(.32502)
UN	.00104*	.00073	.00128*	.00085*
	(.00049)	(.00041)	(.00048)	(.00038)
MIF	2.63009+	2.15382+	2.24383	2.13916+
	(.58864)	(.53099)	(.39121)	(.31501)
D_F	.25867+	.21618+	.22354+	.21661+
	(.05512)	(.04954)	(.03462)	(.02737)
Durbin-Watson d Statistic	1.169	1.479	1.062	1.551
R^2	.944	.965	.939	.966

(Figures in parentheses are the standard errors of the estimates)
* Significant at $\alpha = .05$
+ Significant at $\alpha = .01$

Changes in unemployment rates are approximately as significant in their effect as are changes in the military effort. An increase in unemployment by 1 percentage point increases the welfare effort again by 9/100ths of a percentage point. The model we are estimating is extremely simple and does not really allow us to study the full nexus of interrelationships between the explainants of welfare effort. However, as our society is presently constructed, unemployment is probably negatively related to military spending; demilitarization probably increases unemployment. Consequently, welfare should doubly rise from demilitarization--first because of the direct effect of demilitarization, and second, because of the indirect effect of unemployment. While no one wants to increase welfare expenditures through actions that lead to unemployment, demilitarization, in this piecemeal world we live in, probably would cause this result.

The proportion of primary families which are female-headed proves to be the determinant of greatest magnitude in the historic model. A 1 percentage point increase in the proportion female-headed primary families leads to a 2.1 percentage points increase in the welfare effort. While contemplating the better types of social restructuring to come, let us hopefully look forward to a diminishing importance to this estimate. Over the past two decades this variable has been strongly associated with increases in welfare effort. But, if economic discrimination against women diminishes, and if the birth rate remains low, the proportion female-headed families could continue to rise without evoking such an increased demand on the welfare system.

Discovering Welfare Priorities

Though we have been somewhat speculative in interpreting our results, provided there are no major changes in social functioning, the overall conclusion must be that little is likely to be gained for welfare by pointing a finger at the military. Let us be more self-reflective.

Our third calculation probes the future with the purpose of determining priorities within the welfare industry itself. First we make predictions of the welfare effort, for five year intervals, to the year 2001, ignoring the possibility of major social change, complete economic depression, and total nuclear war. Then we compare the size of each variable's increment to the welfare effort and order these increments as to their implied priorities.

Predictions

To predict welfare effort we need projections for the independent variables in the model. In the case of the proportion aged and proportion of female-headed families, we were able to use Census Bureau projections. For female-headed families projections, the Bureau has provided high and low estimates. But for the remainder of the determinants, we were limited only by reason and imagination.

Military effort projections were problematic and highly speculative. Under

what conditions will military expenses as a proportion of GNP increase, remain the same, or decrease? If the military establishment continues to be a strong demander of the national resources we might expect the level to remain at least the same, or increase incrementally. If a "backlash" against military expenditures is combined with increasing demand strength in other sectors, we might expect military effort to remain the same or decrease to some level of minimum maintenance. Russett[13] showed that the level of proportional military expenditures after major wars has seldom fallen to its pre-war level, so that, omitting war years as special cases, expenditures have tended to increase over the years, perhaps as a result of incremental budgeting or increasing international tensions or both.

To explore the historical relationship between GNP and military effort we regressed military effort on GNP for the period 1947-73 (to omit the extraordinary expenses of the World War II years). The coefficient on GNP was not statistically different from zero. The Durbin-Watson statistic indicated severe positive correlation between first difference errors, which was not significantly diminished by regressions on first differences in the variable observations.

$$M_t = \underset{(.0234)}{.0936} - \underset{(.00709)}{.00284}\, GNP_t \quad : R^2 = .006 : \text{ Durbin-Watson} = .42 : \text{ (standard errors)}$$

Given these results we chose to specify military effort as a constant proportion of GNP. The average U.S. military effort over the period 1947-1973 was 8.44 percent.

Unemployment has been portrayed at two constant rates; 8 percent, indicating market failure, and 4 percent, indicating market success.

Table VI lists the independent determinants of welfare effort to the year 2001.

We have included four projections here, but the reader can predict any situation he or she might find plausible. Examination of Table VII, which presents the projections, indicates that most of the differences in projections are caused by the differences in the projected proportions of female-headed families. A comparison of estimate 1 with estimate 3, or of estimate 2 with estimate 4, shows that the 4 percent unemployment differential accounts for only a miniscule increment in welfare effort. The high unemployment and the high projected proportion of female-headed families predictably produces the highest level of welfare effort. A high unemployment scenario would probably be associated with a slow labor market advance for women. This possibility lends credence to model 4's female-headed families coefficient estimate and, by implication, to the projected welfare effort percentages. A low unemployment scenario would probably be associated with more rapid labor market advances for women, a diminishing female-headed families coefficient, and projected welfare effort percentages that are smaller than those based on model 4's proportion female-headed families coefficient.

TABLE VI
Projections of Determinants

Supply Variable		Demand Variables					
Year	Military effort projected at constant rate	Year	Proportion of Population 65	Unempolyment Low %	Unempolyment High %	Proportion female-headed families Low	Proportion female-headed families High
1976	.0844	1975	.10461	4	8	.10775	.10926
1981	.0844	1980	.11008	4	8	.10690	.10978
1986	.0844	1985	.11389	4	8	.10519	.10975
1991	.0844	1990	.11806	4	8	.10305	.10980
1996	.0844	1995	.11909	4	8	.10069*	.10977*
2001	.0844	2000	.11657	4	8	.09824*	.10982*

*Projections based on previous proportions. U.S. Census projections available only through 1990.

TABLE VII
Prediction of Future U.S. Welfare Efforts

Year	Estimate 1 Unemployment-8% Female-Headed Families/High	Estimate 2 Same as 1, but Female-Headed Families/Low	Estimate 3 Unemployment-4% Female-Headed Families/High	Estimate 4 Same as 3, but Female-Headed Families/Low
1976	.1072	.1040	.1038	.1006
1981	.1154	.1193	.1120	.1059
1986	.1203	.1105	.1169	.1072
1991	.1258	.1114	.1224	.1180
1996	.1271	.1076	.1237	.1043
2001	.1239	.0992	.1205	.0958

While the projected level of welfare effort does not appear to vary much, the range in predicted welfare effort is between -.005 and +.017. Note that a change from .10 to .11, when considered in absolute dollars, is not an inconsiderable sum; given a present welfare expenditure of approximately $140 billion annually, a .01 difference refers to an additional $1.4 billion to be allocated to welfare needs.

Induced Increments to Welfare Effort

The U.S. historic model, as a predictive tool, can suggest the future influences its variables might have on the size of welfare efforts. It is easy and obvious to say that the proportion of aged persons is growing, therefore we should allocate more resources to this group. Without an empirical base, however, we can only guess the relative importance of competing welfare effort demands. What inferences can be drawn from the model to guide resource allocation within the welfare industry?

An interesting example of relative priority determination arises out of the comparison between the female-headed family induced effort and the proportion aged induced effort. Taking the average 1976 female-headed family projection, .10850, and subtracting this figure from the year 2000 projected female-headed family proportions, for each series, results in a proportion female-headed family change of either -.01026 or +.00132. Multiplying these changes by the estimate of the marginal change in welfare effort induced by a unit change in proportion female-headed families predicts either a decrease of -.02 or an increase of .002 in welfare expenditures as a proportion of GNP. The same procedure applied to the projected increase of the proportion aged population over the next twenty-five years results in a predicted increase in welfare effort of .013. Thus, by the year 2000, we estimate that the aged population will induce an additional 1.5 billion dollars of expenditures over that induced by AFDC and related considerations.

Further extension into the future emphasizes the importance of the aging population as a welfare concern. Census Bureau quinquennial projections through the year 2050 reach a maximum proportion of persons aged 65 and older to total population of .17 in the year 2030.[14] According to our model an increase of .069 in welfare effort is predicted for the period from 2000 to 2030. This roughly implies an additional 10 billion dollar growth in the welfare industry.

Our models are simple, all other variables are assumed to be held constant, and our results must be considered crude. However, they have clear implications for social work policy. Until better estimates become available it seems likely that we should place added emphasis in the curriculum and in the field on those programs and services directed toward the aging and in developing research in the area of care or maintenance services for this target group.[15]

Conclusion

In the body of this paper we have offered answers to three questions. First, is the United States truly a welfare state laggard? In terms of percentage of GNP expended on public welfare programs and compared to other rich countries it seems so. However, we found that the United States actually spent more on welfare state programs than would be predicted for a country with its description, at least for 1966.

We went on to estimate the historic U.S. welfare-warfare tradeoff by specifying and estimating time-series determinants of this effort. The chosen variables seem to explain much of the variance in welfare effort produced in the United States. The coefficient estimates indicate that if relatively small changes are made in the determinants of social choice, six cents would go into welfare state spending for every dollar saved from military spending. Finally, we used the historic model to predict the expected welfare state effort over the next twenty-five years. Our results suggest that among the areas considered, services for the aging population have the highest future priority.

As Ulysses sailed past the island of the Sirens, bound hand and foot as he was to the mast of his ship, truly he must have heard a tempting sweet song, for the Sirens promised him foreknowledge of all future happenings on earth. Figuratively, we too have offered such a song. But, rather than lure the reader off course, by reason and calculation we have pointed him/her in the same direction Ulysses was headed--home. The task before social work and social welfare lies at home. It lies in making our welfare institutions into the very best they can be.

Appendix: Data Sources

Welfare Effort: To obtain data for the maximum number of years data on welfare programs were taken from the Historical Statistics of the United States and various years of Statistical Abstracts.[16,17] Although the data are not strictly comparable, most of the discrepancy seems to fall into education, which along with public housing, we are omitting from the welfare effort measure. Public expenditures for social insurance, public aid, health and medical programs, veterans programs, and other social welfare were totalled and divided by Gross National Product.

Military Effort: Federal Government expenditures for national defense functions (Statistical Abstracts, 1962 and 1974), have been divided by Gross National Product to provide a measure of military effort. Veterans benefits and services are not included in this measure.

GNP: Gross National Product data have been divided by population and converted to 1966 dollars to indicate GNP per capita in constant dollars.[18] These figures are not comparable to the international model data as in that case GNP was computed at factor cost.

Aged: The aged variable represents the proportion of the population age 65 and older and was obtained from the Economic Report of the President, 1974, and Historical Abstracts of the United States, 1960. The projection of proportion aged is based on Census Bureau data.[19]

UN: The annual unemployment rate, an average of the monthly rates, was obtained from the Economic Report of the President, 1974 and Historical Abstracts of the United States, 1960. There have been some changes made in the definition of unemployment, but it is beyond the scope of this paper to attempt to derive more accurate figures. While some sets of years may not be strictly comparable, we feel that the rates are adequate approximations for our purposes.

FHF: The proportion of primary families headed by females was obtained from Current Population Reports and Statistical Abstracts, 1955, 1962.[20] This series is entered only for the years 1950-73. The information on both primary families and female-headed families was first collected in 1947 and we felt the most accuracy could be obtained in using 1950 and later census data. The projections of female-headed families are from Census Bureau data.[21]

Notes

1. Harold L. Wilensky, The Welfare State and Equality: Structural and Ideological Roots of Public Expenditure (Berkeley and Los Angeles: University of California Press, 1975).

2. Leonard S. Miller, "The Structural Determinants of the Welfare Effort: A Critique and a Contribution," Social Service Review, 50:1 (March 1976).

3. David A Stockman, "The Social Pork Barrel," The Public Interest, 39 (Spring 1975), p.8

4. Robert Morris and Delwin Anderson, "Personal Care Services: An Identity for Social Work," Social Service Review, 49:2 (June 1975), pp. 157-174.

5. Harold L. Wilensky, "The Problems and Prospects of the Welfare States," in Industrial Society and Social Welfare by H. L. Wilensky and C.N. Lebeaux (Glencoe, Illinois: Free Press, 1965).

6. Wilensky, op.cit., 1975

7. Miller, op.cit., 1976

8. Henry J. Aaron, "Social Security: International Comparison" in Studies in the Economics of Income Maintenance, edited by Otto Eckstein (Washington, D.C.: Brookings Institute, 1967).

9. Bruce M. Russett, What Price Vigilance? The Burdens of National Defense, (New Haven and London: Yale University Press, 1970).

10. Phillips Cutwright, "Components of Change in the Number of Female Heads Aged 15-44: United States, 1940-1970," Journal of Marriage and the Family, November, 1974.

11. J. Durbin and G.W. Watson, "Testing for Serial Correlation in Least-Squares Regression," Parts I and II, Biometrika, 37 (1950, pp. 409-428) and 38 (1951, pp. 159-178).

12. According to the Gauss-Markov theorem, $E(\varepsilon)=0$ and $V(\varepsilon)=\sigma^2$. Under conditions of autocorrelation, or serial correlation, $V(\varepsilon)=\sigma^2\Omega$; this produces a non-minimum variance in the regression estimates. The generalized linear regression model estim ates the BLUE estimates. For an explanation of this technique, see A.S. Goldberger, Econometric Theory (New York: John Wiley and Sons, Inc., 1964), pp. 231-48.

13. Russett, op.cit.

14. United States, Bureau of the Census, "Population Estimates and Projections," Current Population Reports, Series P-25, Number 601 (Washington, D.C.: Government Printing Office, October, 1975).

15. As suggested, for example, by Morris and Anderson, op.cit.

16. Historical Statistics of the United States: Colonial Times to 1957 (Washington, D.C.: Government Printing Office, 1960).

17. _____, Statistical Abstract of the United States, (Washington D.C.: Government Printing Office, 1955,1962,1970,1972,1974).

18. United States President, The Economic Report of the President to the Congress (Washington, D.C.: Government Printing Office, 1970, 1974).

19. United States, Bureau of the Census, "Population Estimates and Projections," Current Population Reports, Series P-25, Number 541 (Washington, D.C.: Government Printing Office, February, 1975).

20. _____, Series P-20, Number 282, July, 1975.

21. _____, Number 476, February, 1972.

A COMPARISON OF DEFENSE AND WELFARE SPENDING IN THE UNITED STATES AND THE UNITED KINGDOM, 1946-1976

James L. Clayton
Professor of History
University of Utah

One of the most important and absorbing questions of our time is whether governments should extend or retrench their efforts toward assisting people who do not seem to be able to make it on their own. Those who believe that governments should expand their programs to help the needy argue that a compassionate and affluent society has both the ability and the responsibility to do so; those who believe that governments have already pushed too far and too fast argue that the advance of the welfare state must be halted. Closely related to this basic disagreement is the question whether society must sacrifice in one area in order to build in another, that is whether one government program must come at the expense of another. Those who argue that governments should do more for their less fortunate people tend to believe that high levels of defense spending are a hindrance to expanding welfare programs. Conversely, those who believe defense needs are under funded generally feel that welfare expenditures are a limitation on national security.

This essay focuses on this warfare-welfare dichotomy by measuring and comparing warfare and welfare expenditures over an extended period of time in two countries: The United States and the United Kingdom. The main object of this essay is to show the long-term trends of warfare and welfare spending in these two countries in order to determine 1) whether either or both are rising or falling, 2) whether welfare expenditures are inversely related to defense expenditures, and 3) whether the welfare-warfare experience in a foreign country comparable with the United States can offer important insights into our present predicaments and help us anticipate certain problems we might face in the future. The United Kingdom was chosen for comparison with the United States because its defense policies and expenditures have closely paralleled ours for the past 30 years and because American welfare expenditures have tended, usually with a lag of about 20 years, to follow those of Great Britain more than any other country. England is, moreover, our "Mother Country" in more ways than one, and Americans have readily related to such comparisons in the past. The base year 1946 was selected because United Kingdom welfare expenditures are available in a complete series only since that date and yet 30 years is a sufficient time frame to measure both long and short term trends.

I

There are a variety of ways of defining defense expenditures. Most analysts in America prefer to use the "national defense" expenditures account in the U.S. budget. This account includes Department of Defense (DoD) outlays, retirement pay for military personnel, military assistance to friendly nations, and atomic energy outlays.[1]

This method slightly overstates our defense expenditures since some civilian programs of the Atomic Energy Commission (AEC) are included, as are funds for educating military personnel and their dependents overseas. It understates defense costs on the other hand by excluding war-related veterans' benefits, interest on war loans, and that unknown portion of our space program that is primarily military in nature. Since there is no way fiscally to break out AEC civilian programs, military dependent school costs, and war-caused vs. welfare-related veterans' benefits, efforts to expand on the U.S. budget concept, with one exception, have been largely unsuccessful and highly controversial.[2] That exception is the method used by the U.S. Arms Control and Disarmament Agency (USACDA) in its reports on world military expenditures.[3] This agency uses NATO definitions of military spending which generally exclude civilian-type expenditures of the DoD but include military-related expenditures of other government agencies, military grants of the donor country, and military equipment credit purchases. On the average the USACDA defense data are slightly higher than U.S. budget defense data and are given in calendar rather than fiscal years. Both of these methods will be used in this essay.

Looking at the period since World War II it seems at first glance that defense expenditures in the United States have been rising rapidly. Allowing for a reasonable time period for World War II spending to have worked itself out of the budgetary process--say by 1950--it appears that defense spending has risen from $12.4 billion in 1950 to an estimated $101.1 billion for fiscal year 1977. This represents an increase of 715 percent in 27 years, most of which were years of international tension and fully half of which America was engaged in combat. Using 1950 as a base year considerably overestimates this recent expansion since it was the last year before the Korean War, but also underestimates this figure historically since the level of defense spending in 1950 was approximately four times higher than traditional defense expenditures during peacetime.[4]

A better way of measuring spending trends is in constant prices. On this basis defense spending in constant (1975) dollars rose from $40 billion in 1950 to $84 billion in fiscal 1977, or a little over two rather than seven times. Defense spending peaked at $133 billion in 1969 and has been <u>falling</u> every year since until fiscal 1977 when a slight increase occurred. Defense spending has been fairly constant since the Korean War, fluctuating around $100 billion, except for the Vietnam escalation. Then it went considerably higher, but in recent years defense outlays have fallen well below the average for the past two decades.

An even more accurate method of measurement is to compare defense expenditures as a percent of total federal outlays and GNP. In 1950 defense represented 29.1 percent of total federal spending; in 1977 defense had fallen to an estimated 25.6 percent.[5] On this basis defense spending has not only been falling since 1968 but also has <u>declined</u> even from the pre-Korean War base year of 1950. As a percentage of <u>total</u> public spending (federal, state, and local) defense expenditures have fallen to their lowest level since 1940.[6] Today (1976) defense represents about 15 percent of total government expenditures. In 1968 that figure was 29 percent and in 1953 it was 45 percent. On the other hand defense spending has risen since 1950 as

a percentage of GNP. In that year defense required 4.6 percent of our total goods and services; today defense requires 5.8 percent (See Tables 1 and 2).

Perhaps the most accurate and dispassionate way of measuring defense expenditures is to put these data in constant dollars and on a per capita basis. Both price and population inflation are rendered neutral in this way. In constant dollars America's defense effort is costing less today than at anytime since 1950, and with the exceptions of last year has fallen every year since the peak year of the Vietnam War.[7] But on a per capita basis in constant (1958) dollars, defense spending in 1976 cost $157 for each and every American, the lowest price tag since 1950 when defense cost $110. During the Great Depression defense costs on this same basis were far less, about one-seventh what we pay today. Prior to World War I defense cost about one-fifteenth the current rate--even in constant dollars.[8]

From the above analysis it should be clear that in real terms the trends of defense spending in the United States in recent years is sharply downward, not upward, and currently defense outlays are at the lowest level they have been for the past 25 years. A variety of other data also support this conclusion.[9] This conclusion is further born out by the most recent Arms Control and Disarmament Agency study. According to that agency U.S. military expenditures fell from 9.5 percent of GNP in 1967 to 6.2 in 1974, or from $102 billion to $77.9 billion in constant dollars.[10] Since it is frequently assumed that defense spending is rising in the United States, and particularly at the expense of social welfare programs, it may be useful at this point to flip back to Chart 1 on page to fix this point visually in mind.

II

How one defines welfare spending in the United States is also a matter of considerable controversy. There are two generally accepted definitions of long standing, however, and both will be used here. The first and more important is the Social Security Administration's (SSA) "social welfare" concept which includes federal, state, and local public spending, and also includes welfare-related spending for all groups, not just for the very poor or those who are stigmatized in one way or another.[11] "Social welfare" reflects expenditures designed to help those Americans whose income falls below a certain minimum and seeks to establish minimum standards of health, education, and housing for everyone. Specifically, this definition includes expenditures for social insurance, public aid, publicly financed health and medical programs, veterans' benefits, public housing and education outlays, and a few other minor activities. A derivative of the social welfare definition is the "income support" category which only includes social insurance, veterans' benefits, and public assistance. Income support increased from $17 billion in 1950 to $103 billion in 1974 in constant (1974) dollars, or from 3.7 to 7.9 percent of GNP.[12]

Social welfare expenditures have risen as a percentage of GNP in almost every decade of this century. Prior to World War I they represented less than three percent of our GNP: during the 1920's they inched up to four percent; in the Great Depression they climbed to more than 10 percent, then fell somewhat during World War

II only to rise again during the 1950's. Since 1965 social welfare expenditures have risen exponentially and now stand in excess of 20 percent of GNP.[13]

Social welfare has also steadily increased its share of total public spending since 1950. In that year social welfare represented 38 percent of all government outlays; in 1975 that figure had risen to 58 percent. On a per capita basis in constant dollars social welfare spending had risen about 50-fold since the beginning of this century and about seven-fold since the New Deal. Since 1965 real per capita social welfare spending has shot up 128 percent, increasing by $47 billion in fiscal 1975 alone. Despite a spending level in fiscal 1975 of $287 billion these expenditures continue to grow at an exponential rate (19 percent in 1975) and show no sign of leveling off.

The second most common definition of welfare is the "income security" category and its "public assistance" derivative in the U.S. budget. Income security expenditures are designed to help those Americans whose income has been lost or impaired by retirement, disability, illness, unemployment, poverty, or death. Income security outlays have risen from $30 to nearly $140 billion in the past 10 years and these, too, are growing exponentially. Part of this category includes "public assistance" expenditures for the aged, disabled, blind, and families with dependent children. This category alone has risen from 4.1 billion in fiscal 1968 to an estimated $23.6 billion in fiscal 1976, an increase of 476 percent in less than a decade.[14] Finally, federal outlays for the poor are sometimes viewed as comprising welfare spending in this country. These outlays include cash benefits, food, housing, education, health and manpower training. In constant dollars these federal antipoverty outlays have steadily increased from less than $10 billion to more than $30 billion since 1960.[15]

All of these income security programs are limited to federal spending and, consequently, underrepresent welfare spending by the amount states and local governments spend. This difference is substantial. A better method is to use the "public welfare" method of the Census Bureau. This definition includes all public spending for those Americans who are blind, disabled or out of work, females with dependent children, and the poor who are either old or need medical care or both. These data are available since 1902 for selected years.[16] On a per capita basis and in constant dollars public welfare expenditures rose from less than two dollars in 1902 to $75 in 1973, or at about the same rate as social welfare expenditures for the same period. These data, along with social welfare expenditures, are tabulated as a percentage of GNP since 1965 in Table 2, and as a percentage of total public spending in Table 3. Table 4 compares defense and social welfare and public welfare spending in constant dollars per capita since 1965.

The above tables, and especially Table 4, clearly demonstrate that since 1946 and more particularly in recent years warfare spending in the United States has been trending downward and welfare spending has been increasing markedly. As a percentage of GNP defense spending has fallen generally from its Korean War peak, and has fallen 57 percent since 1968. An even sharper decline is evident when measured as a percentage of public spending. On a per capita basis in constant dollars, the drop

since 1968 is 70 percent. On the other hand, social welfare spending has risen steadily since 1946 as a percentage of GNP, except for the Korean War years, and has climbed 46 percent since 1968. The same pattern holds for public welfare spending. On a per capita basis in constant dollars social welfare climbed 123 percent between 1965 and 1975, and public welfare 188 percent between 1965 and 1973. Clearly, warfare and welfare spending have been moving in opposite directions during this generation.

There is no statistically significant correlation between military spending and either of the two welfare spending categories during the past 25 years, although there is a demonstrable negative relationship between warfare and welfare spending during World War II.[17] On the contrary, it seems more likely that a substantial portion of our welfare revenues since the end of the Korean Conflict have come from declining defense budgets. Since most of the increases in government spending have come at the federal level and in the social welfare category, and since tax rates have not been raised significantly during the past 20 years, it stands to reason that rising welfare needs have benefitted from declining defense costs. Resistance to further defense cuts is hardening in the Congress, however, and a continued welfare windfall from further defense cuts seems less likely in the foreseeable future. The point that declining defense outlays have helped to fund rising welfare programs has also been argued by Roger Freeman in his insightful study, The Growth of American Government.[18]

III

The United Kingdom has traditionally spent a larger share of its resources on defense than has the United States. This is understandable since England became a world power two centuries before America did and given England's proximity to potential enemies and greater suffering as a result of war. During peace-time years in this century Britain has spent between two and three percent of her GNP on defense, an amount about twice comparable U.S. expenditures. During World War II Great Britain expended well over 60 percent of its GNP on that war; the United States less than 40 percent. World War II loosened the bonds of the British Empire, however, and recontruction at home and the cost of British occupation troops in Germany caused a retrenchment in defense commitments. Nevertheless, the U.K. continued to spend a higher percentage of her GNP on defense than did the U.S. until the outbreak of the Korean Conflict. From 1952 until the present the U.S. has spent more of her GNP on defense, with substantially more during the Korean and Vietnam Conflicts. Today, both nations spend approximately the same percentage of their GNP's for defense. The same pattern holds true for defense spending as a percentage of total public spending (see Table 3).

Great Britain's steadily declining defense expenditures reflect a gradual erosion in her world position, the dismantling of her empire, basic changes in her defense policy as a result of these two factors, and growing economic limitations. By avoiding hasty demobilization of her armed forces following World War II she continued to play a major role in world affairs for a time, but her defense budgets

were a rising burden on her limited economy now committed to an ambitious program of socialization. As the Cold War diminished in intensity following the death of Stalin defense commitments were whittled down. As the years rolled by the primacy of economics and domestic issues became more and more evident. What began with a strong emphasis on costly nuclear weapons as a deterrent in the early years of the Cold War by 1956 had become a matter of relying on the United States' nuclear deterrent capabilities and a more limited commitment to NATO. Rising concern over sluggish growth, rising deficits, and the feared potential limits of the public-private mix helped cause this shift in emphasis. As with the United States, the basic problem of the United Kingdom in recent years has been to maintain her declining international influence with diminished defense budgets, rising domestic problems, and waning public resolve.[19]

In comparing U.S. and U.K. defense expenditures the most significant pattern seems to be that Britain decided earlier to diminish her role as a world power and accordingly cut her defense budgets earlier and more deeply than the United States. Since 1950 the British have halved their defense efforts as measured by total public spending; the United States has merely cut out all of the growth subsequent to 1950. On the other hand America's cuts since 1965 have been much deeper than Britain's, especially on a per capita basis (compare Tables 4 and 5). Still, even though the sacrifices for defense are roughly equivalent today, because America is considerably richer her actual defense dollar outlays are more than double those of the British. The disparity in wealth between the two countries is likely to maintain this inequality in outlays for years to come.

IV

The British social welfare programs are not exactly similar with American efforts, but they are sufficiently alike to be roughly comparable. Part of the difficulty lies in the fact that the English welfare state is much older than the American and has gone further down the road toward "cradle-to-grave" security, a term coined in the English Beveridge Report of 1942. A further difficulty is that Britain has much greater breadth of welfare coverage for only a slightly larger investment of her resources. Complete health insurance, family income allowances, thousands of voluntary organizations that are partly publicly financed, and a relatively larger influx of immigrants who need state assistance suggest some of the funding differences in the United Kingdom. Nevertheless, the British do use the term "social services" and that term includes programs that are essentially like those in our "social welfare" sector.[20] The two systems are therefore fiscally comparable. To be specific, British "social service" programs include all public (central and local) spending for: education; the national health services; personal services for the elderly, handicapped, mentally ill, and child care; school meals; social security benefits; veterans' benefits; and public housing subsidies.

In 1929 United Kingdom social services represented 8 percent of GNP compared with 3.9 percent of GNP for United States social welfare outlays.[21] By 1950 these figures had risen to 13.7 and 8.9 percent respectively. In 1975 the United Kingdom spent £21.8 billion or 23.5 percent of her GNP on social services; the United States

spent $287 billion or 20 percent of her GNP on social welfare.[22] Today America spends much more per capita and a larger share of its public funds on education, veterans' benefits, and social insurance than do the British, but the British expend more on health services and public housing.[23] Although the mix is different the total social welfare effort in both countries is nearly the same.

The British, like the Americans, also define public welfare more narrowly. This is their "welfare services" account[24] in the national budget. It includes all public spending (central as well as local) for the aged, handicapped and homeless, child care, care of mothers and young children, mental health, and domestic health care. It also includes the cost of providing school meals at reduced prices to disadvantaged children and expectant mothers. In 1975 "welfare services" cost the British £1.1 billion or 1.0 percent of their GNP.

Table 2 compares U.S. and U.K. social welfare expenditures as a percent of GNP for recent decades. Social welfare programs were much more fully developed in Britain during the Great Depression than in the United States, particularly when one remembers that the depression was much more severe in America than England. Social welfare programs have also been growing much more rapidly in the U.S. since the inauguration of President Johnson's Great Society in 1965. Since that date U.S. social welfare expenditures have grown at an annual rate of 8 percent per annum. If this rate of increase continues, and there is no evidence that it is slackening off, the United States will surpass the United Kingdom, assuming their rate of increase remains constant, in social welfare expenditures as a percentage of GNP before the end of this decade.

United Kingdom military, social services, and public welfare expenditures in constant dollars and on a per capita basis are compared in Table 5. As was the case with comparable U.S. data, U.K. social service expenditures since 1965 have been rising, although not quite so sharply as in America (see Chart 1). Like defense outlays, U.S. per capita social welfare expenditures in constant dollars far outstrip U.K. efforts.

V

A number of fairly firm conclusions can be drawn from comparing defense and welfare spending in the United States and the United Kingdom during the past 30 years.

First, U.S. and U.K. defense spending data are clearly comparable over time, but welfare spending data are only roughly comparable. The two most commonly used welfare spending definitions--social welfare and public welfare--are however approximately the same for each country. Using these two categories can give fair comparisons of welfare commitments between the two nations.

Second, defense spending trends for the U.S. and the U.K. as a percentage of GNP closely parallel each other over the past three decades. Both show a gradual secular decline since the Korean War, but the U.K. started higher and has fallen

somewhat more. Today, each country sacrifices approximately the same amount of goods and services to defense.

Third, broadly related social welfare programs as measured by expenditure levels, although much more advanced in the U.K. in earlier decades, will be approximately equal by the end of this decade. This is largely because the rate of increase of welfare spending in the U.S. is faster than in the U.K.

Fourth, there is no statistically significant correlation between defense spending and welfare spending over time in either country. Both defense and welfare have a life of their own and neither grows primarily at the expense of the other. The cost of each comes essentially from changing the public-private mix to favor more government and fewer private undertakings, from increasing taxes, and from enlarged public deficits. The first of these three is the most important. More than any other single factor, social welfare spending is responsible for the growth of the government sector in both the United States and the United Kingdom since 1946. In England that sector now represents 60 percent of the total economy; in America almost 40 percent. In each the size of the government sector has occasioned intense political debate and possibly a diminished growth rate in recent years. Since much of this growth has been financed through deficits rather than by tax increases, the size of each country's deficits has mushroomed. In England especially public sector borrowing requirements measured as a percentage of GNP have almost tripled during the past 10 years. In both interest rates have been climbing, but to date the problems of governmental finance have been much more acute in the United Kingdom, partly because its debt burden is substantially higher than it is in the United States.

Fifth, the limits of declining defense budgets seem to have been reached in the U.S., but not in the U.K. Neither party in the U.S. is talking of continued defense cuts of the size of recent years and both are now voting for slight increases. In England the Labor Party is considering further cuts, however, possibly as much as twenty percent by the early 1980's.[25]

Sixth, the limits of social welfare and public welfare spending, although intensely discussed on both sides of the Atlantic, have not yet been fixed. The need to halt the exponential trends of social welfare spending at some point is clearly recognized, more especially in Great Britain, but the decision to actually flatten or to reserve this trend has not been made. The Labor Party has decided in their most recent White Paper to cut both defense and welfare spending by 1980, but most observers doubt that the Labor Party will in fact cut their welfare budget in real terms.

Finally, both England and America are presently gambling that their long-term cuts in defense spending have not dangerously impaired their national security and that exponentially rising welfare spending will not overburden their economies. Whether England and America are right on these propositions will be one of the most important questions that either country will face in the coming years.

FOOTNOTES

1. See The United States Budget in Brief, Fiscal Year 1977, p. 22.

2. See the Joint Economic Committee's effort to expand these categories in The 1973 Joint Economic Committee Report...on the January 1973 Economic Report of the President, 93 Cong., 1st Sess., 1973, p. 72; and the critical comments of the DoD on this and other approaches in [Robert C. Moot], The Economics of Defense Spending, A Look at the Realities (Washington, D.C., 1972), chapters 1, 10, and 11.

3. See especially USACDA, World Military Expenditures and Arms Transfers, 1965-1974 (Washington, D.C., 1976).

4. Defense expenditures averaged about 1 percent of GNP during the 1920's and 1930's but 4.6 percent of GNP in 1950. The basic data are from 1975 Statistical Abstract, p. 314; and the United States Budget in Brief, Fiscal Year 1977, p. 67.

5. United States Budget in Brief, Fiscal Year 1977, p. 58.

6. See James Clayton, "The Fiscal Limits of the Warfare-Welfare State: Defense and Welfare Spending in the United States Since 1900," Western Political Quarterly, Table 3, forthcoming.

7. See 1975 Statistical Abstract, p. 314.

8. See Clayton, Table 4.

9. Other indicators of a falling defense emphasis since 1968 are a massive decline in military and civilian manpower and substantial percentage declines in employment in defense products industries, declining defense R&D as a percentage of total R&D, and declining defense purchases as a percentage of GNP.

10. See footnote 3, p. .

11. See 1975 Statistical Abstract, p. 280. For more recent data see the January 1976 issue of the Social Security Bulletin, p. 3.

12. Sar Levitan and Robert Taggart, The Promise of Greatness (Harvard University Press: Cambridge, 1976), p. 35.

13. See U.S. Bureau of the Census, Historical Statistics, Colonial Times to 1970 (Washington, D.C., 1976), p. 340.

14. The United States Budget in Brief, Fiscal Year 1977, p. 39.

15. Levitan, p. 196.

16. See Bureau of the Census, Historical Statistics on Governmental Finances, 1967 Census of Governments (Washington, D.C., 1967), p. 25 for data to 1967. For subsequent data see the Census Bureau's annual Governmental Finances in 1973-74 (Washington, D.C., 1975).

17. This point was made some time ago by Ida Merriam and Alfred Skolnik in their Social Welfare Expenditures under Public Programs in the United States, 1929-1966, HEW Research Report No. 25, 1968.

18. See The Growth of American Government (Hoover Institution Press: Stanford, California, 1975), p. 110.

19. For a survey of British defense policy from World War II to the mid 1960's see R. N. Rosecrance, Defense of the Realm (New York, 1968). For more current policy debates The Economist is an excellent source.

20. See the issues of Britain, An Official Handbook (London, published annually).

21. Cf. The British Economy, Key Statistics, 1900-1970, pp. 4 and 12; with U.S. Bureau of the Census, Historical Statistics, Colonial Times to 1970 (Washington, D.C., 1976), p. 340.

22. Cf. U.K. 1975 Annual Statistical Abstract, p. 54; and U.S. Social Security Bulletin, January, 1976, p. 3.

23. For other differences on a comparable basis see Charles Taylor and Michael Hudson, World Handbook of Political and Social Indicators, 2nd ed. (New Haven and London, 1972).

24. See U.K. 1975 Annual Statistical Abstract, p. 57.

25. The Economist, June 5, 1976, p. 18.

Table 1.

U.S. and U.K. Defense Expenditures as a Percentage of GNP, 1946-1977

Year	U.S.	U.K.
1946	21.4	20.1
7	6.5	10.6
8	4.8	7.4
9	5.0	7.0
1950	4.9	7.1
1	7.2	8.7
2	13.1	10.7
3	14.0	10.6
4	12.9	9.8
5	10.6	8.9
6	9.8	8.6
7	9.9	8.0
8	10.1	7.4
9	9.9	7.2
1960	9.3	7.1
1	9.4	7.1
2	9.4	7.2
3	9.1	7.1
4	8.8	6.6
5	7.6	6.7
6	7.9	6.6
7	9.1	6.7
8	9.7	5.4
9	9.0	5.7
1970	8.4	4.8
1	7.7	5.0
2	7.2	5.2
3	6.2	4.9
4	5.8	5.2
5	5.8	5.4
6	5.8	5.4
7	5.5 est.	NA

Sources: R. N. Rosecrance, Defense of the Realm (New York, 1968) Appendix, Table 1; USACDA, World Military Expenditures and Arms Transfers, 1965-1974 (Washington, D.C., 1975), p. 50; 1975 U.K. Annual Abstract of Statistics, p. 326; U.S. Budget in Brief, Fiscal Year 1977, pp. 67 and 69, for U.S. defense and GNP spending data for FY 1977.

Table 2.

U.S. and U.K. Welfare Expenditures as a Percentage of GNP, 1946-1975

Year	U.S. Social Welfare Spending as a % of GNP	U.S. Public Welfare Spending as a % of GNP	U.K. Social Services Spending (including housing subsidies) as % of GNP
1946	6.1	1.3	NA
7	7.8	NA	NA
8	7.6	.8	NA
9	8.1	NA	NA
1950	8.9	1.0	13.6
1	7.7	NA	13.1
2	7.6	.8	13.4
3	7.5	.8	13.4
4	8.2	.9	13.1
5	8.6	.8	13.5
6	8.6	.8	13.4
7	9.1	.8	13.5
8	10.3	.9	14.5
9	10.6	.9	14.9
1960	10.6	.9	14.9
1	11.5	.9	15.1
2	11.6	.9	15.5
3	11.6	.9	16.2
4	11.7	.9	16.0
5	11.8	.9	17.1
6	12.2	.9	19.7
7	12.9	1.2	20.4
8	13.8	1.3	21.4
9	14.1	1.6	22.1
1970	15.3	1.8	21.5
1	17.0	2.0	21.5
2	17.4	2.1	21.5
3	17.5	2.2	22.0
4	17.7	2.3	22.2
5	20.1	NA	23.5

Sources: Bureau of the Census, Historical Statistics, Colonial Times to 1970 (Washington, D.C., 1976), pp. 340 and 1120; Social Security Bulletin, January, 1976, p. 3; The British Economy, Key Statistics, 1900-1970 (London, 1971), pp. 4 and 12; 1975 U.K. Annual Abstract of Statistics (London, 1975), p. 54; and Governmental Finances in 1973-74, p. 15.

Table 3.

U.S. and U.K. Defense and Welfare Expenditures as a Percentage of All Government Expenditures, 1946-1975

	U.S.			U.K.	
Year	Defense	Social Welfare	Public Welfare	Defense	Social Services
1946	53.4	16.1	1.3	43.6	NA
7					
8					
9					
1950	17.2	37.6	2.9	21.3	41.0
1					
2					
3					
4					
5	32.3	32.7	2.9	27.5	41.8
6					
7					
8					
9					
1960	27.3	38.0	3.0	21.6	44.2
1					
2					
3					
4					
5	23.5	42.4	3.1	14.9	42.9
6	23.9	43.4	3.1	14.4	43.1
7	25.9	42.4	3.7	13.8	41.1
8	27.1	43.2	4.0	12.8	42.4
9	25.0	44.7	4.8	11.6	44.4
1970	23.0	47.8	5.3	11.3	42.9
1	20.8	51.8	5.5	11.4	43.4
2	19.5	53.4	5.9	11.3	43.4
3	17.3	55.1	6.2	10.6	43.2
4	16.4	55.8	6.5	10.2	39.4
5 est.	17.5	58.4	NA	10.6	39.1

Sources: Bureau of the Census, Historical Statistics, Colonial Times to 1970 (Washington, D.C., 1976) pp. 340 and 1120; Social Security Bulletin, January 1976, p. 10; 1975 Statistical Abstract, pp. 250 and 314; 1975 Annual Abstract of Statistics, pp. 54 and 326; The British Economy, Key Statistics, 1900-1970, p. 12; R. N. Rosecrance, Defense of the Realm (N.Y., 1968), Appendix, Table 1.

Table 4.

U.S. Military, Social Welfare, and Public Welfare Expenditures in Constant (1973) Dollars Per Capita, 1965-1976

Year	MILEX Per Capita	SWEX Per Capita	PWEX Per Capita
1965	372	509	26
6	437	535	28
7	498	614	36
8	506	675	40
9	483	721	54
1970	434	779	56
1	395	870	60
2	392	938	68
3	374	1,007	75
4	367	1,028	NA
5	363	1,134	NA
6	352	NA	NA

Notes: MILEX = Military Expenditures
SWEX = Social Welfare Expenditures
PWEX = Public Welfare Expenditures

1975-76 MILEX figures based on the percentage decline for defense spending in U.S. Budget in Brief, Fiscal Year 1977, p. 67.

[Conversion rates are based on consumer price index;]and 1974 Statistical Abstract, p. 275.]

Sources: U.S. Arms Control and Disarmament Agency. World Military Expenditures and Arms Transfers, 1965-1974 (Washington, D. C., 1976), p. 50; James Clayton, "The Fiscal Limits of the Warfare-Welfare State...," Western Political Quarterly, forthcoming, Table 8.

Table 5.

U.K. Military, Social Services, and Public Welfare Expenditures in Constant Dollars Per Capita, 1965-1975

Year	MILEX Per Capita	SSEX Per Capita	PWEX Per Capita
1965	151	430	7
6	148	462	8
7	151	423	8
8	148	449	10
9	138	467	10
1970	136	475	15
1	143	542	19
2	154	539	19
3	154	578	26
4	163	588	38
1975	141	615	53

Notes: MILEX = Military Expenditures
SSEX = Social Services Expenditures
PWEX = Public Welfare Expenditures

Sources: U.K. 1975 Annual Abstract of Statistics (London, 1975), pp. 54, 57 and 326; International Financial Statistics, January, 1976, p. 390; and USACDA, World Military Expenditures and Arms Transfers, 1965-1974 (Washington, D. C., 1975), p. 50.

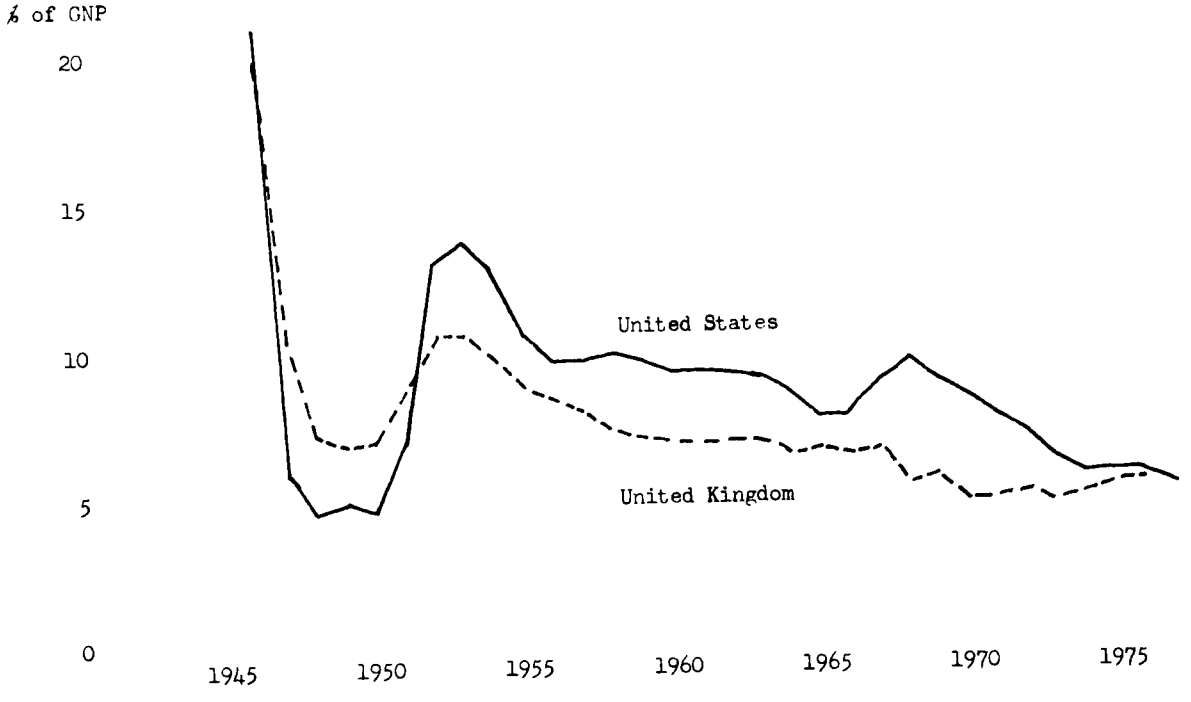


CHART 1 United States and United Kingdom defense expenditures as a percentage of GNP, 1946-1976

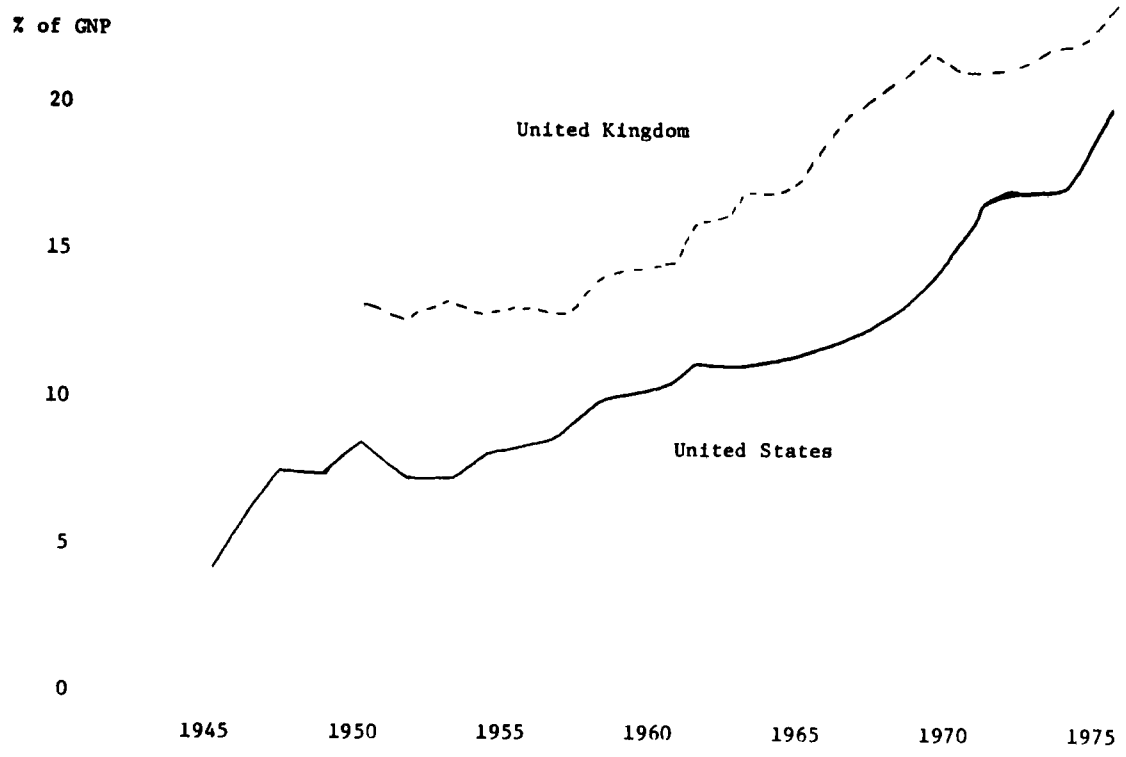


CHART 2 United States social welfare and United Kingdom social services expenditures as a percentage of GNP, 1945-1975.

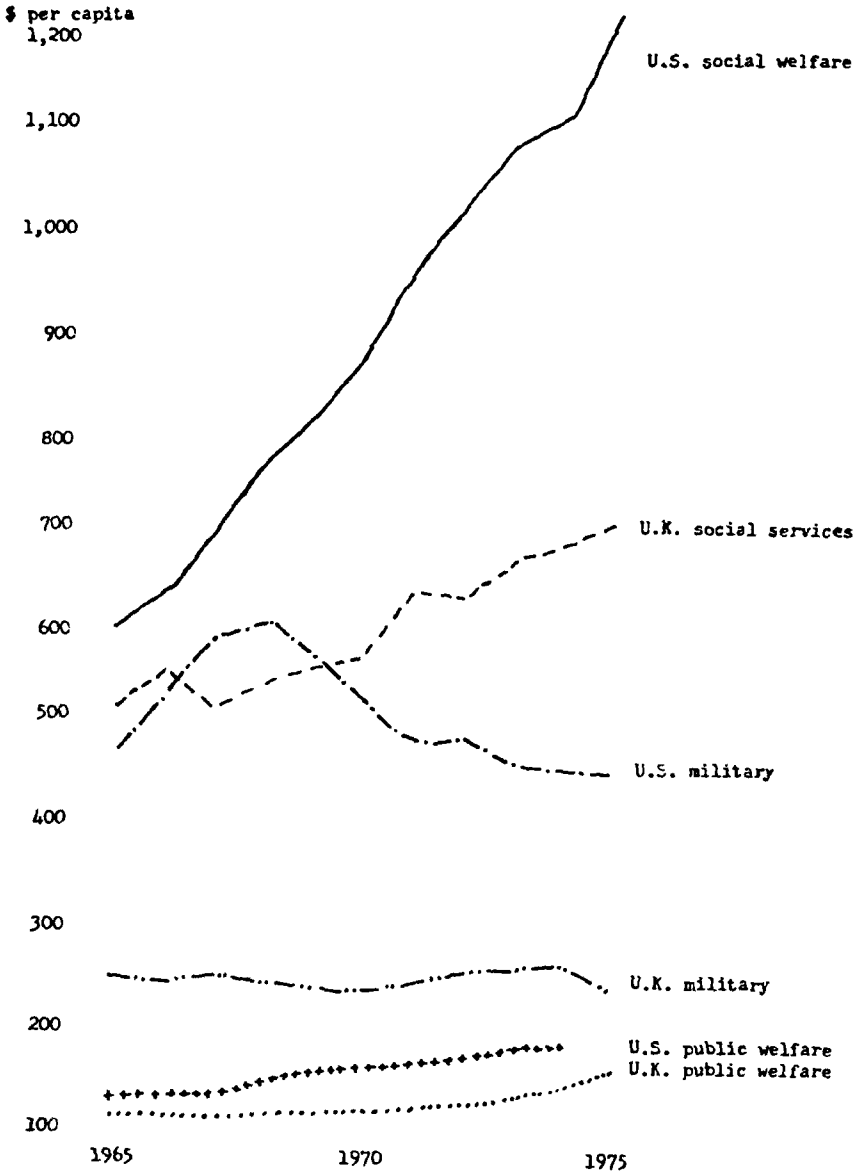


CHART 3 United States and United Kingdom warfare and welfare expenditures in constant dollars per capita, 1965-1975

SOCIAL POLICY AND WAR

Paul Adams
The University of Texas at Austin

American writers on social policy usually treat war as a diversion or interruption of progress towards a welfare state. The Progressive era was cut off by World War I, the New Deal was liquidated as a hostile Congress and indifferent President turned their attention to World War II, and the War on Poverty gave way to the war on Vietnam. "War," Max Lerner said in 1940, "generally puts an end to any period of social reform."[1] British writers, however, see it differently. Most have agreed with Bruce that

> The decisive event in the evolution of the Welfare State was the Second World War ... The years of active thought and planning were those from 1941 to 1948: these mark an epoch in British history.[2]

The difference should suggest both the distinct histories of the two countries, and the need for an analytic framework in which to examine more generally the relationship between war, the state, and social policy.

The importance of war in the formation of social policy is perhaps most strongly stated by Richard Titmuss, in his essay, "War and Social Policy":

> The aims and content of social policy, <u>both in peace and in war</u>, are thus determined - at least to a substantial extent - by how far the co-operation of the masses is essential to the successful prosecution of war.[3]

How does he come to this conclusion, and is it correct? After raising some questions about Titmuss's argument (the most informed and stimulating contribution to the question by a major social policy analyst) I will propose a different approach, and suggest how it might be applied to a comparison of social policy in the United States and Britain in World War II. My primary concern will be with the relation of war to social policy, the state's organized efforts to affect the health and well-being of the populace, rather than with war's impact on social or political change in general. I will argue that social policy is pressed out between the needs of capital on the one hand and the struggles of labor (and/or specially oppressed groups such as blacks or women) on the other; and that the impact of war on social policy depends upon the demands it makes on the

state, and upon the balance of class forces. What I offer is a framework for analysis, not a history of social policy in Britain and the United States in World War II.[4]

Titmuss argues that war has become more total. It once was a game played between rulers, risking a few subjects as pawns while most social life was undisturbed. Now it involves the whole society. Industry, agriculture, even family life are affected. All are shaped and organized as part of a war effort, the consequences of which are felt long before and after any actual fighting.[5] In this progression from limited to total war, Titmuss traces through four stages the state's increasing concern with the quantity and quality of the population:

(i) with the quantity of troops, leading to census operations:
(ii) with the quality, or fitness for service, of recruits;
(iii) with the physical health of the whole population, especially of children, the next generation of recruits;
(iv) with civilian morale.

These concerns, induced by wars of increasing scale and intensity, have, Titmuss argues, prompted many if not most social policy developments in Britain. Thus the shocking state of health of working class troops revealed in the Boer War led to the establishment in 1906 of the school medical service, meals for elementary school children, and other services. In World War II the state's survival depended upon the mobilization and support of almost the whole population. The Education Act of 1944, the Beveridge Report, the National Insurance, Family Allowances, and the National Health Service Acts were all "in part an expression of the needs of war-time strategy to fuse and unify the conditions of life of civilians and non-civilians alike." The universalism of the postwar "welfare state" reflected the extent to which the "co-operation of the masses" was essential to military success.

Titmuss bases his conclusions mainly on his and his colleagues' studies of British social policy in World War II and on Stanislav Andreski's theoretical work, Military Organization and Society.[6] He sees World War II as a typical "modern war", the culmination of a historical development from limited to total warfare. Andreski himself assumes no such progression. His key variable is the "military participation ratio" (MPR), defined as the proportion of militarily utilized individuals in the total population.

When the MPR is high, the ruling group must win the masses over to support the war, convincing them that they are fighting for themselves. Social inequalities will narrow, while the rulers will also need tight control over the population. Such a war will foster both egalitarian and totalitarian tendencies. When the MPR is low, the masses can be left alone, but a privileged military elite will develop and social inequalities will widen. He does not assume a historical progression from low to high MPR. He shows how MPR may rise or decline with inventions such as the stirrup, the long bow, or gunpowder, which require different kinds of military organization. Andreski points out, however, that, with the exception of post-revolutionary France, the major European powers only adopted universal conscription after severe military defeats. The fact that technico-military factors had already made mass armies more effective than professional ones was not enough to lead to adoption of the former. The pressure of military competition was also necessary. (The Russian Revolution showed, inter alia, that ruling classes had good cause to resist mass conscript armies for as long as possible).[7]

Andreski's indicators of MPR include extent of conscription or national service, proportion of GNP going to the military and to war production, and actual or anticipated civilian injuries. World War II certainly involved a high MPR, and it strengthened statist and egalitarian tendencies, especially in Britain where the MPR was substantially higher than in the U.S. In both countries, military success required the participation in the war effort of the working class and specially oppressed social groups (women and, in the US, blacks). In both countries these groups made substantial gains in terms of employment, income distribution, etc. which were not completely reversed in the postwar period.[8] The concept of the military participation ratio, however, must be seen as only one element in a larger explanatory framework. It does not explain why, if the Boer War led to a school meals program in Britain, the US Congress was able to cut heavily a school meals program in World War II despite the evidence of malnutrition revealed by the Selective Service examinations. Moreover, World War II was not typical of later wars, such as Korea or Vietnam. More typical of the present period are inter-imperialist wars fought by proxy (which avoid direct confrontation between major powers) or wars of national liberation (which do not threaten the "mother country"). Korea was arguably a case of the first kind, Vietnam of the second. Be that as it may, the Vietnam war certainly involved a high MPR for the Vietnamese (and produced egalitarian and totalitarian tendencies within that society), but for the US it involved a low MPR, a small proportion of GNP (or even of the total military budget) and low rates of conscription and civilian injury. It was also a regressive war in terms of its effects on social inequalities and the real living standards of workers.[9]

There has been a tendency on the part of both Fabian-type social democrats in Britain and some New Deal liberals in the United States to welcome those aspects of war which strengthen the state. For them, a strong "positive" state is essential to the pursuit of social justice and the modification of blind and ruthless market forces. Such considerations led Fabians into wholehearted support of British imperialism before and during World War I and encouraged New Dealers in the subordination of their domestic goals (including civil liberties) to the US's military effort in World War II.[10] These "social-imperialist" impulses are more than ever misguided in a nuclear age. Not only are contemporary limited wars likely to be socially regressive, but a "total war" in the future would presumably be a nuclear war, and therefore one which would not involve mass mobilization and conscript armies. Indeed, given the present centrality of nuclear weapons in the "defense" of the great powers, it is probable that World War II was atypical in involving a high MPR in those countries.

Titmuss's generalizations about war and social policy are thus based too narrowly on Britain and World War II. They also fail to see war itself as a member of a larger class, namely social crisis. American historians of social policy point to the Great Depression much as the British do to World War II. It too broke down resistance to social and economic planning, strengthened the role of the state, flattened the social pyramid somewhat, and produced the basic legislation of the "welfare state." No one would claim that the social policy of the New Deal is usefully explained as the state's response to an impending major war. It is necessary to distinguish the specific impact of war, and of different kinds of war, from the impact that any kind of crisis might have on a given social structure. Titmuss's claims for _war_ as the major determinant of social policy are too large. A major crisis, whether war or depression, is likely to lead to a new level of state intervention, which then has independent effects in the economy and society which prevent a return to the _status quo ante_.[11]

An important element in the explanation of social policy neglected by Titmuss (except in terms of wartime morale), is the response of the state and ruling groups to pressures from below. The reforms of the last Liberal government in Britain are not adequately explained as belated reactions to the Boer War, or as preparations for World War I. They also reflect the attempt to hold and incorporate the rising labor movement within the two capitalist-party system. The Liberals failed in this attempt in Britain, whereas Roosevelt succeeded in holding labor in the Democratic Party and Johnson had similar success with regard to the black movement in the 1960s.[12] The "cooperation of the masses" may become problematic in

circumstances other than war. Capitalism is a highly dynamic, competitive system (war being only the most intense and deadly form of this competition). It generates social costs, dislocations and oppositional movements which force the capitalist class (or sections of it), however reluctantly, to look to the state and its social policy (and/or forces of repression) for solutions.

None of these qualifications of Titmuss's arguments should obscure its implicit point, that ruling groups in a class society will take steps which benefit the health and welfare of the population (i.e. of subordinate classes and strata) when they face a situation in which the needs or demands of that population can no longer be ignored. The needs themselves, however pressing, do not guarantee social provision. Henry Sigerist, the medical historian, pointed out that in ancient Rome war led to the establishment of extensive and sometimes elaborate institutions for the medical care of soldiers when "it was in the interest of the army to restore the wounded as quickly and as thoroughly as possible."[13] On the other hand, he observes, the lack of war led to the establishment of medical facilities for slaves, since in peacetime there were no prisoners of war to replenish the supply of slaves and "it became profitable to spend money for the restoration of the slaves' health."[14] In either case, the needs of the ruling class, not those of the potential patients, were the determining factor. Unfortunately Titmuss himself obscures this point as a result of his social-democratic conception of the state. The state, in this view, represents the collective interest of society, not merely of the ruling class or group in society. While it may be unduly influenced, or even controlled by dominant groups, the state is essentially above class conflicts. The state intervenes to redress inequalities, to impose "social discipline" and assure a measure of economic security for all.[15] The "social discipline" imposed by war and enforced by the state is seen as being a restraint on individual greed in the interests of the collectivity, rather than, for example, as the price which capital has to pay for the preservation of a system based upon inequality and exploitation. Titmuss certainly conceives of class differences, but he sees classes as groups based upon and defined by gradations of wealth, income, occupation, and so on. By contrast the view implicit in this paper sees the two main classes of capitalist society, the capitalist and working classes, as defined by their antagonistic relationship to each other and their specific relationship to the means of production.[16] For Titmuss, classes are not necessarily in conflict with each other: together they constitute "society," which can function effectively and humanely in its "search for equity" (a recurrent phrase) given sensible and informed legislation.

The state, in this conception, ideally represents the mutual collective interests of all classes, of society as a whole. Thus, when talking of the state's response to war he easily slips into the first person plural: he talks of "our concern for communal fitness" and how it has followed closely upon "our military fortunes." Talking of civilian morale in World War II he emphasizes that "millions of ordinary people" had to be convinced that "we had something better to offer than had our enemies."[17] How are "we" going to convince "them"? Titmuss cites the famous post-Dunkirk editorial in The Times, a call for social justice which reveals the consciousness, unevenly shared in the British ruling class circles to whom the newspaper is addressed, that if "we" are to convince "them" to continue the fighting and the sacrifice, "we" are going to have to make substantial concessions. The significance of Dunkirk for the timing of this editorial is not that this near-disaster led to a great upsurge of cross-class national solidarity but that, on the contrary, morale among both civilians and troops was then in a quite precarious state.[18] As Arthur Marwick observes with regard to the blitz:

> The expressions of exultation and of social solidarity are to be found almost exclusively in the diaries and comments of middle- and upper-class people... The expressions of hostility to an established system which had failed to provide adequate protection and post-raid services, are to be found among the working class, and also among the more socially conscious of their betters.[19]

World War I had ended, in many countries, in strikes, demonstrations, and revolution. This fact was not lost on Britain's rulers in World War II. As Quintin Hogg put it in the parliamentary debate on the Beveridge Report (17 February, 1943): "If you do not give the people reform, they are going to give you social revolution. Let anyone consider the possibility of a series of dangerous industrial strikes, following the present hostilities, and the effect it would have on our industrial recovery..."[20] Wars often begin by masking the contradictions of a class society with widespread patriotic fervor and solidarity; but if they are at all long or difficult they are bound to expose and sharpen those contradictions.

In the course of this discussion of Titmuss's essay, several points have emerged: the demands or needs of the subordinate classes, and the extent to which rulers are forced by war (or other circumstances) to respond to them, the need of rulers for a healthy military and workforce to support them, the relationship of the state to different classes. The problem now is to relate these elements in an analytic framework which will make it

possible to understand more clearly the differential impact of World War II on social policy in the United States and Britain, as well as being of more general application. Since, like Titmuss, I am using "social policy" to refer to certain activities of the state, such a framework must also define a conception of the state.

How then, is the relationship of social policy to different social classes and to the state, to be conceptualized? Social policy in a modern, capitalist society reflects the needs of capital for a workforce with an adequate level of health, education, and economic and social security.[21] Labor costs and the indirect expenses of production have been increasingly socialized, that is paid as taxes and delivered in the form of state-provided benefits or services, rather than being met entirely through the paycheck or provided by individual employers. At the same time, workers have organized to demand not only higher wages, but also higher social benefits. Their demands do not necessarily stop at what would be from a capitalist perspective the optimum point, the minimum level at which no loss of efficiency occurs. Social policy, as well as repression, may also aim at social order, conditions which allow the accumulation of capital to proceed in a relatively harmonious and predictable environment. Thus, it may be directed not only at workers and their families, and those temporarily out of work, but at those on the margins of the workforce or outside it altogether.

Just as workers' pressure for higher wages compels capital to rationalize production and raise productivity, so workers' pressure (exerted through their class organizations - unions and parties - and through strikes, demonstrations and other actions) for decent health, education, housing, and economic security compels capital to rationalize the provision of these, through the state if necessary. Indeed the processes are not merely analogous but interrelated. Wage pressure induces technological innovation to maintain competitiveness, and these new conditions in turn require a more reliable, healthy, educated workforce, and measures to deal with the social dislocations carried in the wake of rapid technological change. From this perspective, an analytic framework may be developed which sees social policy as being pressed out between the needs of capitalism (in particular the need for a regulated supply of efficient labor-power, and for social stability and order), and the struggles of the working class for adequate income, health, education, housing, social security, etc. What results may be see as an "unstable equilibrium of compromises".[22] The nature and content of those compromises depend - as does the question of whether they involve real sacrifices or concessions on the part of capital, or merely capitalist rationalization - on the balance of class

forces at a particular conjuncture. Such an equilibrium in no way implies equivalence of power, still less equal participation in the actual policy-making process.

The locus of this equilibrium is the state, and it is in the state's social policy that the compromises are crystallized. The capitalist state is the institution whose primary function is to maintain order and harmony in the relations of production. Carrying out this function is by no means a simple or obvious task. It is not always clear what policy will further this system-maintenance function, nor, if it were, would it necessarily be possible to carry it through against resistances, even within the state itself. The state is far from monolithic, even under fascism, reflecting divisions and conflicts of interest and ideology within the capitalist class as well as the differentially "felt" pressures of subordinate classes and strata. The state may thus appear as a battleground of "warring principalities", as Moynihan describes the departments of the federal government debating the War on Poverty.[23] (Howard Dratch paints a comparable picture of the disputes within the executive branch over federally funded child care in World War II.) But the state is also distinct from the capitalist class or any section of it, and is unable to function adequately to the extent that it is directly subjected to control by particular capitalist interests. It is a capitalist state in the sense that it is structurally bound (its strength and survival depend upon capital, if only for the source of its revenues) to the function of aiding, organizing, co-ordinating, the accumulation of capital and ensuring the social conditions in which that accumulation can take place, even at the expense of short-term or sectional capitalist interests. The state's social policy, then, may involve the enforcing of concession or sacrifice (or rationalization) upon part or all of the capitalist class, in spite of its hostility, in the general interests of maintaining the system. Moynihan is also correct in this sense when he talks (within a different theoretical framework, of course) of the state's ability to "assume an innovative and responsible role in the resolution of social conflict and inequity".[25]

The more threatened the capitalist class, in general, the less able it is to solve its problems by "voluntary" means, and the stronger the role the state has to play. Major wars and depressions are crises in which the state is forced to assert its authority against the prerogatives of individual capitals, and the capitalist class is forced to submit, or both may perish. Such crises impose new needs on capital and the state, and at the same time render them more susceptible to pressure from below. This does not imply that state organs are independent of and above specific interests and pressures in times of crisis.

On the contrary, there is likely to be an accelerated corporatist trend, a partial integration of employers and trade union bureaucrats into parts of the state machinery. This constitutes a partial negation of the separation of the political and the economic which, in principle, characterizes capitalism (a negation which nevertheless takes places on the basis of that separation, just as "monopoly" develops on the basis of competition and only partially negates it).

With the aid of this framework (which draws upon an extensive recent Marxist literature on the theory of the state)[26], it is possible to see World War II as a crisis which, like the Depression, threatened (or made vulnerable) the national capitalist classes and necessitated the emergence of a "strong state" capable of encroaching on the prerogatives individual capitalists and overcoming their suspicion and hostility towards it. The "threat", or vulnerability, in the case of World War II, may be seen as in part internal, taking the form of a heavy dependence on the active support of, and participation in the war effort by subordinate classes and strata. This vulnerability to pressure from below (pressure which although partially offset by suppression of dissent and tight control over the population, is not fully relieved even by very high levels of repression) is present in any war where there is a high MPR.[27] In the case of World War II, however, "military participation" must be understood in a broader sense, for it represents the culmination of a two-century trend towards the integration of the productive forces and the armed forces.[28] The technico-military demands of the war imposed on the state the need to subordinate the entire economic life of the country to the war effort, the need to determine what would be produced, by whom, and often for whom. Planning and controls over many aspects of economic and social life were raised to new levels.

What were the results for social policy? Perhaps the earliest and most urgent area of need to be identified by the state in both Britain and the US was that of health. As war has become more technological, so armies have raised the standards of health for their soldiers. Health standards have been significantly higher for the military than for industrial production, as draft rejection rates have dramatically revealed. In wartime, however, the health of workers (especially those with skills needed for essential production) becomes much more important than at other times (including, of course, a depression) due to the shortage of labor - and the situation is exacerbated by measures taken to meet the health needs of the military.

Of the first 2 million men examined for military service in the United States, half were rejected as unfit for service, a result which caused considerable alarm, especially in view

of the low minimum requirements, the Army's expectation of only a 20 percent rejection rate, and the fact that those examined presumably constituted the healthiest part of the population.[29] The Selective Service examinations revealed, among other things, serious problems of malnutrition, as the National Nutrition Conference for Defense noted as early as May, 1941. Attention was also focused, both in social policy and business journals, on the tremendous loss to industrial production (running at about 400 million "man days" annually) due to illness.[30]

The war, then, exposed these and other health problems or, more accurately, made them a problem for the state. It also aggravated the situation. The shortages and maldistribution of health care professionals and services were exacerbated as physicians and nurses entered the armed forces. By 1943, there was only one physician for every 100 servicemen, but one for every 3,500 civilians. The poorer rural areas of the country with greatest shortages often overfilled their quotas for the military while more urban and prosperous areas failed to meet theirs, so increasing the maldistribution. The physicians who continued to tend civilians were likely to be older or sicker than those in the army. The situation was especially bad in the war-boom towns, where thousands lived and worked in dangerous, crowded, and unsanitary conditions.[31]

In spite of these problems, the war produced a substantial improvement in health status and health care in almost all fields, whether measured by public and private expenditures, hospital beds, number of physicians and other health personnel, life expectancy, infant mortality, or incidence of most diseases.[32] Much of this improvement was, of course, an unintended side effect of the war, derived from the general improvement in the living standards of the population as labor scarcity (gradually and unevenly) replaced mass unemployment. People could afford to eat better and to spend more on health care - and they did both. In part, however, it reflects the conscious recognition, within the state and among business leaders, that the national health had become too important a matter to be left to the succession of reports and conferences which, with the exception of a few relatively minor New Deal programs (food stamps and grants-in-aid for maternal and child health programs), had characterized the previous decade.

The concern of employers with the health of their workforce was expressed in many ways, from the handing out of vitamin pills, to provision of physical examinations, hot meals, improved health and safety conditions (especially where women were employed), and most significantly for the long term, involvement in various forms of health insurance. Perhaps the most conscious industrialist

in this field was Henry J. Kaiser, who not only saw the importance to production of a healthy workforce and supported prepaid medical care for all, but instituted his own prepaid group medical care scheme (with the assurance of federally guaranteed profits from war contracts) in the face of intense AMA opposition.[33]

The state's response to the health problem also took many forms. Some sixteen million servicemen and their dependents were provided with a program of socialized medicine, albeit a short-term one. Many pre-existing conditions were treated (especially defects of teeth and eyesight) and about 2 million men were salvaged for military service as a result of induction examinations. Many servicemen received good medical treatment and a balanced, adequate diet for the first time in their lives. In the war boom towns the federal government financed the construction of hospitals and clinics, and in many cases the US Public Health Service provided more and better services than had existed before the war.[34] A long-term effect of the war was a substantially increased government role in health care financing, especially in the fields of hospital construction, research, education, and mental health.

In Britain a similar pattern emerged: 1) serious problems of health, and of health care organization and financing, 2) exigencies of war which rendered these problems visible and immediate while at the same time aggravating them, and 3) a response by the state and employers (in this case, primarily the state) which, in conjunction with other factors, led to improved health, a rationalization of the health care system, and a substantial increase in the state's role.[35] There are, of course, important differences. These have to be explained within the framework of the differential impact and nature of the war and the different society (i.e. the distinct conjuncture of economic, political, ideological, and social conditions) upon which the war impacted.

As Titmuss documents in his Problems of Social Policy, the Emergency Medical Service had very early to recognize that wartime planning must include provision for civilians. A much higher casualty rate for civilians was expected than actually occurred, but civilians still suffered a higher number of casualties than the armed forces until the third year of the war. The special treatment and privileges which soldiers and veterans receive in wars with a low MPR had to be extended to the whole population, culminating in this case in the provision of a universalist National Health Service. Again, as Titmuss shows, the dependence of the war effort on the support and sacrifice of the working class undermined or made intolerable many of the class distinctions and privileges of pre-war Britain, and made possible a degree of universalism in social policy in

the 1940's from which successive governments of both parties have steadily pulled back.[36]

In the United States the state was less seriously threatened from outside than Britain (the only major European country not to be defeated in the course of the war). It was therefore less dependent upon the enthusiastic support and sacrifice of the whole population. Concessions and benefits, consequently, were directed more selectively at the pressure points, particularly toward the military and skilled and/or organized labor. The military/civilian distinction remained intact (despite heavier casualties in war industries than in the armed forces), and the substantial gains made by soldiers and veterans, in health, education, and welfare provision were not extended to the population as a whole. Veterans' benefits were, as Wilensky puts it, a back door that did not in this case open to the rest of the population.[37] As a result of these social policies, World War II veterans became a relatively privileged part of the population.[38] This selectivity[39] of provision was, of course, facilitated by a politically weak labor movement which, despite the trade union gains of the 1930's, had failed to organize an independent labor party. In Britain, on the other hand, the social-democratic ideology of theLabor Party lent itself admirably to the carrying out of a substantial program of capitalist rationalization by the state which included some real benefits for the working class, under the guise of an advance towards socialism, or at least towards social justice.[40]

The relative weakness of the threats from outside and below in the US made it possible for the professional monopoly of the American Medical Association to withstand the pressure of organized labor for adequate health care, or rather to divert it into private and localized channels. The conjuncture of AMA opposition, the needs of capital, the pressures of labor, and the interventions of a state at war are interestingly reflected by Somers and Somers in this conclusion to their chapter on the growth of the "Ubiquitous third party":

> It was entirely fortuitious that the American Medical profession's successful campaign against public health insurance during the lat thirties and forties coincided with the vast expansion of organized labor and collective bargaining. But the implcations of this fact were great. From the end of World War II, the growth of private health insurance and of industrial "health and welfare" plans were inextricably interrelated. Enlightened management's increasing concern for "human relations" in

> industry, the wartime wage stabilization program with its encouragement of "fringe benefits", and the effect of National Labor Relations Board and the United States Supreme Court decisions in making such benefits a routine matter for collective bargaining all helped to accelerate the "shotgun" marriage of medical care and industrial relations.[41]

Health was only one, if a major, social policy concern of American and British governments in World War II. The demands of the draft, war production, and labor scarcity produced tremendous physical mobility in both countries. Existing family arrangements were put under severe strain by the dispersal of family heads and, especially, by the absorption of women into the armed forces, auxiliary services, and civilian employment. The need for women in production conflicted with domestic functions normally performed by women and sometimes depending upon neighborhood networks - functions of the "social economy" which are unpaid, and, in terms of their importance for the economy as a whole, usually unrecognized. Consequently, as Ferguson and Fitzgerald put it in their volume in the U.K. Civil Series of the offical History of the Second World War, families became less self-reliant in war-time and "(w)hat family and neighborhood could now no longer do for themselves, the State had to help them do".[42] The state "had to" make some provision because of the nature and demands of the war.

In this area of social policy we find a pattern similar to that discussed with regard to health. The war exposed the weakness of existing arrangements, aggravated them, and elicited a response from the state which amounted to an unprecedented level of state intervention in economic and social life. In comparing Britain and the United States, again we find a similar pattern: a more severe "war threat" (producing a higher MPR despite the same military technology) and more thoroughgoing state intervention with more lasting results in Britain. In the United States, the controversy over federally funded group child care, explored in detail by Dratch, shows a decentralized and divided state, one that could afford to be so because of the strength of the capitalist class and the weakness of internal and external threats to it. The U.S. Children's Bureau, with its traditional child welfare ideology, led the opposition to the Federal Works Administration, which was more concerned about employment and production than about keeping children with their own mothers or in individual foster arrangements during the working day. Federal funding was provided for group child care, but as an emergency measure, under the 1940 Lanham Act, so that its discontinuance at the end of the war was assured.[43,44]

In view of the considerable disparity in the effect of World War II on national social policy, it is not surprising that British and American writers have viewed the relationship of war and social policy so differently. While these differences in part reflect the serious neglect of the importance of World War II for American social policy developments, they also reflect real variations of historical experience. I have attempted to develop a framework within which both national experiences can be understood. The framework takes account both of the nature of the war and the demands it makes upon the state (in particular, the MPR), and also the nature of the society (that is, the balance of class forces at a particular historical conjuncture) upon which the war impacts.

The Boer War, as Titmuss says, led to the provision of school meals in Britain, because the health of the next generation of recruits was a matter of concern to the State. In the United States, however, the evidence of widespread malnutrition revealed by the Selective Service examinations did not prevent Congress from cutting the subsidies for the school lunch program almost to nothing. The connection between the Boer War and school meals program in Britain depends upon the interaction of the needs of the state for a healty military (although the MPR alone is obviously insufficient as an explanation), the need of capital for a healty workforce, and the pressure exerted by a working class with a measure (at the time growing) of ideological and organizational independence. The reaction of the US Congress to school lunches has to be explained within the context not only of a state engaged in a major war involving a high MPR, but also of a capitalist class which resists the incursions of the state unless its need for them is inescapable, and of a labor movement which, despite tremendous gains in adverse conditions, had failed to establish an independent political party, even a bureaucratic one like the British Labor Party, which accepted the exigencies of capitalism as setting the limits of reform.[45]

NOTES

1. Max Lerner, "The State in War Time," in Willard Waller, ed., War in the Twentieth Century, N.Y.: Dryden Press, 1940, 414.

2. Maurice Bruce, The Coming of the Welfare State (4th edn.), London: Batsford, 1968, 326.

3. Richard M. Titmuss, "War and Social Policy," ch. 4 of Essays on 'The Welfare State,' London: Allen and Unwin, 1958, 86. Emphasis added.

4. Such a comparative history would have to deal with many contingencies essential to the understanding of specific events in their full complexity. But that, though related, is another task. Nor do I deal with the long-term political-economic outcomes of wars themselves - results (with major social policy implications) such as the break-up of feudalism or of Japanese isolation, or the establishment of US hegemony, or the spread of the Stalinist social system, for example. Although the balance of class forces is discussed as a determinant of war's impact on social policy, I do not discuss war's impact on class struggles. The question of how reforms are won (granted from above or grasped in struggle) is of central importance here, but it goes beyond the scope of this paper.

5. Titmuss shows, for example, that many draft rejectees become clients of the social services, and that many premature retirees of the early 1950s were casualties of World War I. Titmuss, loc. cit.

6. Richard M. Titmuss, Problems of Social Policy, London: HMSO and Longmans, Green, 1950; Sheila Ferguson and Hilde Fitzgerald, Studies in the Social Services, London: HMSO and Longmans, Green, 1954. Both these works are part of the History of the Second World War: United Kingdom Civil Series, edited by Sir Keith Hancock. Stanislav Andreski, Military Organization and Society (2nd edn.), Berkeley and L.A.: Univ. of California Press, 1968.

7. Andreski, op. cit., 68-70.

8. For white male workers, however, the gains are less obvious. In absolute terms, gains were substantial, not only in fringe benefits but also in real wage rates (despite wage controls). Economic Report of the President, Washington, D.C.: Govt. Printing Office,

1971, Table C-31, p. 233. Relative to capital, however, these gains were largely offset by sharp rises in productivity.

9. A. Dale Tussing, "Social and Economic Results of the (Vietnam) War," in Max Casper, ed., The War and Social Welfare, Syracuse, N.Y.: Central New York Chapter of N.A.S.W., 1971. The Korean War, which took a considerably larger proportion of the GNP, also involved substantially greater gains in real disposable weekly earnings for private non-agricultural workers. Economic Report of the President, Washington, D.C.: Govt. Printing Office, 1976.

10. On the Fabians, v. E.J. Hobsbawm, Laboring Men: Studies in the History of Labor, London: Weidenfeld and Nicolson, 1964, ch. 14, "The Fabians Reconsidered." On New Deal Liberals and the war, cf. Alonzo L. Hamby, "Sixty Million Jobs and the People's Revolution: The Liberals, the New Deal and World War II," Historian, 30, 4 (August 1968), 578-598; Richard Polenberg, War and Society: The United States 1941-1945, Philadelphia, N.Y., Toronto: Lippincott, 1972, ch. 3, "The Waning of the New Deal." For a contemporary critique, v. Norman Thomas, "Totalitarian Liberals," Commonwealth, 37 (1943), 342-44.

11. cf. Gunnar Myrdal, Beyond the Welfare State, New Haven: Yale Univ. Press, 1960, 21-23.

12. cf. Leon Trotsky, On the Labor Party in the United States, N.Y.: Merit Publishers, 1969. On the Great Society and the black movement, cf. Frances Fox Piven and Richard A. Cloward, Regulating the Poor: The Function of Public Welfare, N.Y.: Random House, 1971, ch. 9.

13. Henry E. Sigerist, "War and Medicine," in Milton I. Roemer, ed., Henry E. Sigerist on the Sociology of Medicine, N.Y.: M.D. Publications, 1960, 340.

14. ibid., 341.

15. Where Andreski talks of the totalitarian tendencies stimulated by a high MPR, Titmuss talks of "social discipline" which he treats as a virtue.

16. On these different conceptions of class, cf. Isaac Balbus, "Ruling Elite Theory vs. Marxist Class Analysis," Monthly Review (May 1971), 36-46; also his "The Negation of the Negation: Theory of Capitalism Within an Historical Theory of Social Change," Politics and Society, 3, 1 (Fall, 1972), 44-63.

17. Titmuss, "War and Social Policy," 81, 82.

18. William Rankin, "What Dunkirk Spirit?" New Society (15 November 1973), 396-98; Angus Calder, The People's War: Britain 1939-1945, N.Y.: Pantheon, 1969, 136-139.

19. Arthur Marwick, War and Social Change in the Twentieth Century, N.Y.: St. Martin's Press, 1974, 156.

20. Cited by Nigel Harris, "The Decline of Welfare," International Socialism, 7 (1961), 5.

21. Gaston V. Rimlinger, Welfare Policy and Industrialization in Europe, America, and Russia, N.Y.: Wiley, 1971. cf. Karl Marx, Capital (1967 edn.), N.Y.: International Publishers, 1967, vol. I, ch. 10, "The Working Day."

22. The phrase is that of Nicos Poulantzas, Political Power and Social Classes (Eng. edn.), London: NLB and Sheed and Ward, 1973, 192. My use of it does not imply a shared theoretical framework or "problematic." Although his influence will be obvious in these paragraphs, I have some basic differences both over what I take to be his structural idealism and over his specific (but perfunctory) comments about social policy and the welfare state.

23. Daniel P. Moynihan, Maximum Feasible Misunderstanding (2nd edn.), N.Y.: Free Press, 1970, lvii.

24. Howard Dratch, "The Politics of Child Care in the 1940's," Science and Society, 38, 2 (Summer, 1974), 167-204.

25. Daniel P. Moynihan, The Politics of a Guaranteed Income, N.Y.: Random House, 1973, 543.

26. The contributors to this discussion include Nicos Poulantzas, Ralph Miliband, Claus Offe, James O'Connor. Their work is to be found in several books published since 1968 in France, Britain, U.S.A., West Germany and in articles in New Left Review, Kapitalistate, and Politics and Society.

27. Andreski, op. cit., 36, argues that the "suppression facility" i.e. the ease with which a population can be kept down, "accentuates the effects of the low M.P.R. and counteracts the effects of the high."

28. To this extent Titmuss is correct in seeing World War II as the furthest point in a historical progression. It was not, however, the end of history (although World War III may be). On the integration of the productive and armed forces, cf. Hans Speier, "Class Structure and Total War," American Sociological Review, 4. 3 (June 1939), 372-80, and "The Effect of War on the Social Order," Annals of the American Academy of Political and Social Science, 218 (November 1941), 87-96.

29. U.S. Senate, 78th Congress. Wartime Health and Education, Hearings before a Subcommittee of the Committee on Education and Labor, Washington, D.C.: U.S. Senate, 1944. Draft rejection rates were alluded to in very many contemporary discussions of the nation's health.

30. Frank G. Boudreau, M.D., "Food for a Vital America," Survey Graphic, 31, 3 (March 1942), 128-129, 156-157. This article forms part of a special issue of Survey Graphic on health in wartime, "Fitness for Freedom." For evidence of business concern, see "Death on the Working Front." A Supp'ement to Fortune, 26, 1 (July 1942).

31. Office of War Information, Doctor Shortage and Civilian Health in Wartime. O.W.I. no. 2398 (September 6, 1943), Washington, D.C.: mimeographed; Elin L. Anderson, "Organizing the Community for Health Protection in Wartime," Public Welfare, 1, 9 (September 1945), 262-67.

32. U.S. President's Commission on the Health Needs of the Nation, Building America's Health, Washington, D.C.: cf. Monroe Lerner, Odin W. Anderson, Health Progress in the United States 1900-1960, Chicago and London: Univ. of Chicago Press, 1963. Geoffrey Perrett, Days of Sadness, Years of Triumph: The American People 1939-1945, Baltimore, Md.: Penguin Books, 1974, ch. 28. Perrett, however, paints altogether too rosy a picture of health improvements in World War II by ignoring the extent to which they were continuations of trends apparent in the thirties, and by taking as typical of the war years an exceptional figure for one year: the number graduated from medical schools in 1944 was extraordinarily large because of a special program but no other year shows such a jump.

33. Paul de Kruif, Kaiser Wakes the Doctors, N.Y.: Harcourt Brace, 1943.

34. Robert J. Havighurst and H. Gerthon Morgan, The Social History of a War-Boom Community, N.Y.: Longmans, Green, 1951.

35. Harry Eckstein, The English Health Service: Its Origin, Structure, and Achievements, Cambridge, Mass.: Harvard Univ. Press, 1958.

36. cf. Angus Calder, op. cit., 61 et passim. On the decline of the British "welfare state," v. J.C. Kincaid, Poverty and Equality in Britain, Harmondsworth, Eng.: Penguin, 1973, and Jim Kincaid, "The Decline of the Welfare State," in Nigel Harris and John Palmer, eds., World Crisis, London: Hutchinson, 1971.

37. Harold L. Wilensky, The Welfare State and Equality, Berkeley, L.A., London: Univ. of California Press, 1975, 41-42.

38. Davis R.B. Ross, Preparing for Ulysses: Politics and Veterans During World War II, N.Y. and London: Columbia Univ. Press, 1969, 289.

39. "Selectivity" here refers to the focusing of benefits on special groups of the population, rather than the application of a means test within those groups.

40. Anthony Giddens, The Class Structure of the Advanced Societies, London: Hutchinson, 1973, 64, and Harry Eckstein, op. cit., Preface.

41. Herman Miles Somers and Anne Ramsay Somers, Doctors, Patients, and Health Insurance: The Organization and Financing of Medical Care, Washington, D.C.: The Brookings Institution, 1961, 226-27. I do not endorse their "corporate rationalizing" perspective (as Robert Alford called it in Health Care Politics, Chicago and London: Univ. of California Press, 1975). Nor do I wish to imply that the struggles of the stronger unions for whatever economic gains they can make, even on a fragmented and localized basis, is anything but progressive.

42. Ferguson and Fitzgerald, op. cit., 7. On the U.S., v. J.E. Trey, "Women in the War Economy - World War II," Review of Radical Political Economics (special issue on "The Political Economy of Women"), 4, 2 (Summer 1972), 40-57. Concern about the war's effect on family instability, delinquency, etc. is expressed in many contemporary articles and is reflected in the Senate Hearings on Wartime Health and Education, op. cit.

43. Howard Dratch, op. cit. As Dratch says, federal funding for group child care also took the form of war contracts to Henry Kaiser, who developed a program for his employees.

44. In Nazi Germany, of course, the conflict between sexist ideology and demands of a tight labor market was much sharper: German capital and the state were much more "at risk," the labor shortage was much more severe, and at the same time the Kinder, Kirche, Küche ideology was more central to Nazi propaganda.

45. On the British Labor Party, v. Ralph Miliband, Parliamentary Socialism: A Study in the Politics of Labour (2nd edn.), London: Merlin Press, 1973, and Paul Foot, The Politics of Harold Wilson, Harmondsworth, Eng.: Penguin, 1968, ch. 11, "The Futility of Pragmatism."

THE POLITICAL ECONOMY OF SOCIAL WELFARE: A PERSPECTIVE

Christopher Rhoades Dykema,
Student, Hunter College School
of Social Work

Part I, Introductory

The social services are in trouble. After decades of expansion, we face retrenchment, fiscal pressures that threaten vital services, and unemployment among social service workers. The human services' traditional political champions offer only a timid and unconvinced resistance to the assaults from reactionary quarters.

This threatening environment is certainly disconcerting and doubly so because it follows a period when the steady growth which began with the progressive movement seemed to suddenly burgeon. Money was abundant, agencies proliferated, and there seemed to be a widespread public recognition of the need for an ever-increasing program of services.

But now the mood of optimism has vanished. Workers and consumers are scrambling to save some services from the fiscal wreckage. The mass media report a supposed reversal of public opinion -- a new feeling that the social services have "failed," that they are a senseless drain on the public treasury.

Clearly we are entering new and very trying times. But the problems the social services are committed to addressing still exist and in some ways are getting worse. What has changed? It is not enough to point to the new unpopularity of services. Everybody knows social welfare has a public relations problem and besides, this knowledge alone does not suggest any very new and more effective ways to fight for services or mount a counterattack against our antagonists. Traditionally the proponents of social services have lobbied for them on the basis that they were a rational way of addressing certain social problems. Suddenly, despite the persistence of the problems, the arguments seem inadequate. Examining some aspects of the history of social welfare, this article will show that social welfare's function has changed fundamentally in ways that have altered, and (temporarily, we hope) reduced its base of actual political support.

But what is social welfare's function? This is a matter of

long-standing dispute. The definition offered here is an attempt at concreteness and clarity. Hopefully its usefulness will become apparent in the course of the paper.

Social welfare in the modern United States is an aspect of the legitimation and accumulation functions of government. It is legitimative in that it works to ameliorate the economy's disastrous human consequences. It fulfills the accumulation function by maintaining and enhancing conditions for the profitable conduct of commerce.[1] These two basic functions can obviously be discharged in various ways and the social service worker's traditional commitment has co-existed with greater and lesser degrees of contentment with the nature of the existing society. Conscientious workers have always recognized that their role -- as mediators between individuals and organized society -- necessarily involves ambiguities. Certain "radical" writers of recent years have revealed a primitive political understanding by identifying social services entirely with the more repressive aspects of the legitimation function, particularly in the area of relief. As we shall see, the matter is not as simple as their diatribes would imply, but they have recognized an important issue. Relief has traditionally been the crucial social welfare service, to which all others are politically (and, often, administratively) allied. In recent decades, the political economy of American social welfare has eveolved in close conjunction with the development of relief and has largely reflected changes in the nature of poverty itself. This analysis must, therefore, begin with a look at the economic and political forces that have formed the basis of the existing American social welfare system.

Part II, Traditional Social Welfare in Maturity

Social welfare assumed its modern form in the thirties when the Depression had disrupted most aspects of American life and many elements in society jockeyed for position and influence. The most significant contenders eventually arrived at a set of mutually acceptable compromises. One of these arrangements, important to several key groups, was the development of the social welfare system.

Some of the history of these events appears in Frances Fox Piven and Richard Cloward's Regulating the Poor, The Functions of Public Welfare.2 Although they refer in passing to the Speenhamland system and other earlier experiences their conclusions are mainly based on a study of relief in the United States since the advent of the Depression, during the historical epoch of modern American public assistance. From this analysis they construct a general theory of the function of welfare. Briefly, they argue that relief serves to assure the availability of a large pool of cheap labor (the accumulation function), that relief is given in a manner calculated to

enforce passivity in the workforce (the legitimation function), and that relief administrators, historically, have vacilated between a hard and a soft approach according to the manpower needs of the ruling social strata.

Their analysis is largely valid as far as it goes, and discussions of social welfare cannot safely fail to use it as a point of departure. However, Piven and Cloward, concentrating on the labor force, ignore the evolution of the broader political economy, a process which forms the basis of all major developments in social welfare.

The Depression, for instance, was more than just a disruption -- even though a gigantic one -- in the progress of the labor force. In fact it marked a profound change in the American political economy. Up until then the economy had been able, albeit with mounting difficulty, to generate enough demand to absorb what industry produced. In the past there had been recurrent failures of this absorption process but these downturns in the business cycle, "panics" as our grandparents quaintly called them, had a serious but still only limited effect. The mass layoffs they occasioned would increase competition for jobs and would lower wage levels. At a certain point wage costs would have declined enough for business to see an advantage in expanding operations once again and hiring the jobless. A recovery would begin. Prosperity would bloom, unemployment would fall and the resulting competition among employers for the now-scarce workers would gradually raise wages to the point of cutting into profitability. Then there would be another panic and the cycle would repeat itself. This abstract schema is a general paradigm for the movements of the American economy in the period separating the Civil War and the Depression.

This simple pattern, however, was complicated by businessmen's constant effort to improve their profitability by replacing workers with an increasingly sophisticated technology. Their scrambling for an edge in competition made for an accelerating tendency towards chronic technological unemployment. The unprecedented severity of the cyclical downturn which began in the fall of 1929, occurred mainly because the economy had finally reached a point where fewer and fewer workers could produce more and more commodities. It was no longer realistic to assume that the recovery would naturally happen all by itself. By 1933 this fact was so strikingly obvious that the Roosevelt administration was forced by circumstances to intervene actively in most aspects of the economy. By the Federal Emergency Relief Act of May 12, 1933, the labor force was included in this intervention.

As the Depression deepened, relief continued in a variety of forms, including both the dole and several explicit and implicit types of work relief. Nearly every social element was for it in one form or another. Businessmen supported it, 4 although they came to think work relief less debilitating to the work ethic than the dole. The hordes of jobless were certainly in favor. In fact, their efforts were a significant element in the general insurgency of the period. Organized under leftist leadership into the Workers' Alliance of America, an early example of Popular Front cooperation, they fought for adequate relief and, to an extent, were successful.5

The disruptions caused by the Workers' Alliance, however, would have been politically insignificant without the concurrent strike wave among the employed. The number of man-days lost to strikes rose from a low of 3,320,000 in 1930 to 19,600,000 in 1934.6 Such serious disruptions of business activity could only be avoided with cooperation from the employees, and the reforms advanced by the New Deal were part of an effort to secure the acquiescence of a crucial part of the working class in forming a renovated capitalist social order.

This renovated social order, as one of its architects writes, ". . . began to assume its present form as a result of the crisis of 1933. Under stress of the Great Depression . . . the federal government assumed responsibility for the functioning of the economic system"7 In the past, laisser faire theory had held that government should discharge the legitimation function in a small way (providing police forces and armies when necessary) and that market mechanisms would pretty much take care of the problems of accumulation. But the Depression was solid evidence that the market could no longer be trusted to do any such thing. It was just this failure that made renovation of the social order so necessary and also showed that the key to the renovation lay in finding a way to create enough demand to support a reasonable level of production.

The Roosevelt administration initiated various mechanisms of economic stimulation which were not very successful -- full employment was only achieved with the beginning of war production. But the New Deal reforms were not simply irrelevant. However limited their success in generating economic recovery, they did succeed in establishing a social order which is only now beginning to disintegrate. The social welfare system was an important element in this new arrangement. Its establishment reflected the political dynamics of the time, a relationship of political forces which we must examine.

In the thirties, as in the present, American society was

dominated by its business elite. But the American business community falls into two parts: the monopoly sector and the competitive sector.8 The former comprises the largest corporations, including most basic manufacturing and mining; the latter comprises all other commercial enterprises. However, petty entrepreneurs like small shopkeepers, newsdealers, etc., are nearly powerless at a national level. In practice the competitive sector may, therefore, be taken to include only those secondary industries and smaller enterprises whose ownership is so dispersed and the scope of whose operations so local that they relate to each other and the consumer on the basis of the traditional mechanism of price competition.

The monopolistic corporation, by contrast, dominates its market either alone or in cooperation with a limited number of similar corporations.9 It is not subject to price competition because the major corporations set their prices on the basis of formal or informal mutual collusion.

Relations between the sectors have never been static and, in fact, the conflict between them has often been bitter. It arose a century ago with the advent of the first corporations, giants seeking to become monopolies. Since the competitive mechanism progressively eliminates the weaker firms (except in special cases), there is a natural tendency for the ownership of industry to become more concentrated.10 The eventual outcome of the conflict between large and small capital could then hardly be in doubt. The Depression, however, accelerated the process, profoundly weakening competitive capital.

The New Deal consolidated the monopoly sector's hegemony. The competitive sector retains some constantly shrinking areas of power -- Congress is perhaps the most significant -- but the monopoly sector has maintained effective control of the national administration since 1933.11 Congress had had only marginal influence over the budgetary process since 1920,12 and so the federal intervention in the economy inaugurated by the New Deal must thus be seen as a fairly exclusive project of the newly ascendant monopoly sector. It is true, of course, that public relief and the other New Deal reforms are often imagined to have been enacted over the furious opposition of business. This is a simplistic and incorrect view. To be sure, many businessmen did oppose the reforms, and their opinions were widely disseminated by organizations like the National Association of Manufacturers and the Chamber of Commerce. However, these are the very groups which most clearly ". . . reflect conservative elements within the power elite and represent their short run interests in specific geographical areas."13 This is competitive capital at work. By contrast, the monopolistic

". . . corporation has a longer time horizon . . . and it is a more rational calculator. Both differences are related to the incomparably larger scale of the corporation's operations."14 This broader perspective is also more liberal -- the monopolistic corporation, until recently, could afford to make concessions to labor and generally meet the needs of the underlying population, allowing greater attention to government's legitimation function. The competitive businessman, struggling to survive from day to day or at least from year to year, tends to believe that the government should guarantee accumulation and do no more.

Not surprisingly, the leaders of the monopoly sector worked for the reformist social legislation which began in the Progressive Era and culminated in the New Deal. The overt pressure for the reforms generally came from labor and other popular forces but the powerful influence of big capital was constantly present in such organizations as the National Civic Federation, a group of major business leaders and conservative trade unionists, and the American Association for Labor Legislation, a prototypical think tank of liberal intellectuals financed by corporate leaders. The National Association of Manufacturers on the other hand, was an organization which, according to the NCF's President and founder, Palph Easley, ". . . 'included none of the great employers representing the basic industries, such as coal, iron and steel, building trades and railroads.'"15 The dissension on social questions between these two industrial strata had taken on a developed form as early as 1905 when leaders of the NCF intervened on the side of the Metal Polishers Union and the American Federation of Labor in the Buck's Stove and Range Case, an anti-labor court action brought by James W. Van Cleave, a leader of the National Association of Manufacturers. In this case, Andrew Carnegie surreptitiously subsidized the legal defense of the MPU and AFL which was conducted by Alton B. Parker, a Wall Street lawyer, Presidential candidate in 1904 and future NCF President.16

This political technique -- covert support by the monopolistic corporate elite for measures advanced by mass reform movements -- persisted into the thirties and still exists. It was employed, with conspicuous success, in the fight for the social reforms of the New Deal, particularly the two crucial enactments, the Wagner National Labor Relations Act and the Social Security Act. The Wagner Act established an assured, though subordinate position for the organized working class in the renovated capitalist polity. The explicit purpose of the Act was ". . . to diminish the causes of labor disputes burdening or obstructing . . . commerce. . . ." But it was not enough to give labor a voice. It was also necessary to address some real grievances of the working population. Hence, the Social

Security Act of 1935 established unemployment compensation, social insurance, and public assistance. It was an obvious and direct response to the mass unemployment of the Depression, an implicit recognition that the market mechanism and private social agencies could no longer deal with the problems of chronic joblessness. It was also the culmination of years of lobbying and agitation by popular groups like the Townsend Movement and the labor movement and also by elite groups like the American Association for Labor Legislation.

Both the Wagner Act and the Social Security Act are cornerstones of the existing social order. They grew out of political struggle and reflected the balance of forces at the time of their passage -- the leaders of the monopoly sector were consolidating their newly-won ascendancy in the midst of economic collapse. To do this they needed a measure of social tranquility at a time when the working class had reached an unprecedented level of organization and militancy and could only be repressed by armed violence. Intelligent leaders of the monopoly sector did not imagine, however, that the labor struggles constituted a revolutionary situation. After all, the better-informed among them probably knew that the Communist Party, the most significant radical organization of the period, had found little success in the uncompromisingly revolutionary policy it followed from 1928 to 1934.18 The two acts were passed not to head off revolution but to acknowledge that a tranquil environment for the conduct of business and the renovation of the social order was impossible without some attention to the needs of the workforce.

The social order formed by the renovation of the thirties still exists and has come to be called the liberal corporate state. It is liberal by contrast with laisser faire, which had prevailed earlier.19 It is corporate in that the giant corporation is its dominant economic unit. And within this social order the government has assumed a broad range of economic responsibilities. In fact, the Federal Government has become, in large part, an administrative device which uses a repertoire of techniques to guarantee, as much as possible, the smooth functioning of the economy. This, in effect, means that government must maintain conditions which guarantee the profitability of the major corporations. Preeminently, the government creates demand by actually buying vast quantities of industrial products. It acts to secure overseas markets and generally tries to assure an open field for corporate activity abroad. It pays for necessary research and development. It advances capital to prevent disruptive bankruptcies. And, as we shall see, it regulates the workforce.

Under laisser faire, of course, all these functions were almost entirely private responsibilities since it was believed

that the market would take care of the economy without intentional human direction.

The Depression showed the inadequacy of laisser faire and the need for conscious use of human intelligence in addressing the problems not only of the economy per se but also of society in general. Consequently corporate liberalism has a greater regard for expertise than the laisser faire approach, which valued knowledge and thought primarily when it was directly applicable to making money. Corporate liberalism believes that economic and social problems have solutions which technical experts can formulate as policies. Not surprisingly, social work started to flourish with the beginning of corporate liberal hegemony. As Walter Trattner says, it ". . . assumed a new prestige and importance in American life as a result of the Depression and the New Deal."20 Social workers had important administrative positions in the Roosevelt administration and in both public and private agencies their numbers doubled during the thirties21 despite mass unemployment. It was one among many forms of expertise that the emerging corporate liberal order pressed into service in its effort to find technical solutions to social problems.22

One of the first major projects of social workers in the liberal corporate state was in designing the public assistance provisions which formed an integral part of the Social Security Act. And just as the hegemony of corporate liberalism was built on an accommodation between various layers of society, so too the Social Security Act was a product of compromise. The working class got unemployment insurance, a basic national pension in OASI, a floor under wages in the newly organized public relief system, and some rudimentary social services. The corporate elite of the monopoly sector got a systematized disciplinary mechanism in the relief system which it could use in regulating the workforce. Some theorists expected, however, that public assistance would be a residual program, withering away as soon as OASI became thoroughly established. This was a vain hope. War did bring temporary decline, but after 1945 relief expanded once more. "Once an economic convulsion subsides and civil order is restored, relief systems are not ordinarily abandoned."23 Although war production continued after 1945, it was held at a level sufficient to maintain wartime employment levels. Relief was institutionalized and ". . . made an important contribution toward overcoming these persistent weaknesses in the capacity of the market to direct and control men."24 This was its traditional discliplinary function, a function it has fulfilled, using a very limited repertoire of techniques, since the decline of feudalism. But an historic change was in the making.

Part III, Traditional Social Welfare in Decline

In recent years the corporate liberal alliance for social welfare has weakened and partially broken down. A fundamental presupposition of the alliance was the availability of enough wealth to fund social welfare services. A basic premise was social welfare's regulatory function. Both of these necessary conditions have been seriously undermined -- the one, by certain broad economic trends, the other by profound demographic changes. These two new factors have come to act in concert in recent years, since the economic trends became apparent. The demographic changes emerged somewhat less recently. Partly understood, they began to arouse official concern in the early sixties.

Piven and Cloward25 offer a partially valid analysis of the developments and their main point is correct: mechanization of southern agriculture forced great numbers of blacks off the land. (They ignore an analogous process which took place in Puerto Rico with greater intentional viciousness and similar results.) Productivity in cotton-growing increased 304% between 1950 and 1965, 26 transforming what had previously been a very labor-intensive industry. An enormous unemployment rate developed in southern agricultural labor.27 Millions of displaced farm workers left the countryside and flocked into urban areas. The southern relief system, which Piven and Cloward show to have exercised its traditional regulatory function with exceptional harshness, continued as before.28 Great numbers, therefore, came north and settled in a relatively small number of cities.

In these areas the welfare systems were less restrictive than in the South and the rolls began an inexorable expansion. By 1957 the Aid to Dependent Children category overtook Old Age Assistance and became, permanently, the largest.29 By December, 1963 the costs, in constant dollars, of public assistance had tripled over the level of December, 1936. 30 Clearly, a significant proportion of these migrants were not finding jobs and settling into the traditional pattern of working class existence. Something had gone unprecedentedly wrong.

Rural populations have been leaving the land and coming to cities for centuries, of course. This urbanization process has always involved massive dislocations and, frequently, great suffering, but sooner or later, in times of prosperity, these populations were absorbed into the labor force. During recessionary periods, of course, they were often the first to suffer layoffs, but even so, they did have at least some organic relation to the workforce. As a result, most writers on the subject, and most politicians, see the

question of relief as one of regulating labor, getting people to work. Piven and Cloward only differ from the others in their more systematic analysis and greater humanitarian concern for the clients. But all these theorists, including Piven and Cloward, fail to grasp that a new epoch has begun.

Most welfare recipients are not simply unemployed workers. They are, in actuality, a kind of subproletariat31 whose exclusion from the workforce does not significantly change with fluctuations in the business cycle. The most basic reason for this change is the increasingly technologicaland capital-intensive character of American industry.

Traditionally, urbanized rural people have gotten jobs requiring little skill. This process has now broken down. The breakdown is a fairly recent phenomenon, corresponding, historically, to the expansion of public assistance.32

This point may be empirically demonstrated. In the period 1950-1965, to use Piven and Cloward's periodization, the number of non-farm laborers (a category to which displaced farm workers are naturally recruited), only increased by an average of .6334% per annum,33 far slower than the general labor force (1.28%)34 and the U.S. population (1.84%).35

These figures do not depict a situation in which an unskilled migrant from the Mississippi Delta could readily find a job, but they assume an even greater importance if compared with equivalent figures from the earlier period 1890-1950 when the labor force increased significantly faster (3.42% per annum)36 than the population (2.34% per annum).37 In other words the economy now has a decreasing capacity to absorb the natural increase of the whole population into the workforce. Its ability to absorb the unskilled has become negligible. They have truly become a superfluous population, rather than a necessary surplus population.

The rise of the subproletariat has had profound consequences. The presence of masses of black voters in northern cities created a powerful interest group pressing the Democratic Party to secure black rights in the South. This tended to detach the white South from its traditional Democratic allegiance,39 and thus increased the importance of urban voters, especially since many blacks came to be concentrated in cities that are strategic in national elections.

In addition, not all the black and Latin migrants were voters. Many congregated in the cities, alienated from the established electoral political process. The political machines of these cities,

dominated by the regional business elites of the competitive sector, were not interested in organizing and politically integrating the new ghetto population which was unlikely to support them reliably and, if organized, might have worked against some of their local interests: e.g., the urban renewal schemes of competitive business interests.

This, then, was the situation in 1961 which confronted John F. Kennedy, a representative par excellence of the liberal corporate elite of the monopoly sector. His party had largely lost its secure political base in the South, and the narrowness of his victory in 1960 showed that the potential base among urban northern blacks was not yet fully realized. And the local Democratic organizations would not do much to remedy the situation. In addition, as the next few years would show, the presence of such numbers of impoverished and anomic people in northern cities was a potential source of serious disruption. Kennedy, Johnson and their entourage were, therefore, presented with a complicated set of problems. The situation was not so grave as the crisis of the thirties -- it was not an economic and social cataclysm requiring a full-scale renovation of the social order -- but it was serious nonetheless and could not be addressed by standard procedures.

The Democratic regime followed two distinct but related approaches to the dilemma presented by the newly urbanized ghetto population. The first, embodied in the 1962 Amendments to the Social Security Act, was an attempt to get people off welfare by providing rehabilitative services. The second, involving several pieces of legislation, found its clearest expression in the Economic Opportunity Act of 1964.

The Economic Opportunity Act was a conscious attempt to confront the dilemma that the growth of the subproletariat posed for the political and corporate leadership of the monopoly sector. This point is beautifully demonstrated by the writings of Daniel P. Moynihan,40 a participant in the preparations for the poverty program. Moynihan describes the concerns of the program's architects with some clarity. As an early poverty warrior he was ". . . involved with . . . the situation of those persons in the population whose life circumstances do not appear to respond, at least very quickly, to the large movements in the economy." (i.e., the business cycle).41 The problem was becoming so serious that it could not be overlooked. The economy ". . . seemed to be acquiring patterns sharply inhospitable to the poor, notably the Negro poor fleeing the depressed countryside."42 However, ". . . the poverty cycle was, at this point, still seen almost solely in terms of the individual,"43 whose unemployability was thought to be a result of many cultural, environmental and motivational factors acting in concert to produce

a kind of vicious circle. (The economic side of the issue went largely unnoticed.)

The War on Poverty was, therefore, conceived as a massive exercise in environmental modification, ". . . 'a coordinated attack' to break the cycle through preventive, rehabilitative and ameliorative interventions."44 It included a large number of programs in job-training, education, legal services, day-care, etc., and also provided federal money for local groups to fund programs of their own. To ". . . ensure that persons excluded from the political process in the South and elsewhere would nonetheless participate in the benefits of the community action programs . . ."45 it required that they be "'developed and conducted with the maximum feasible participation of residents of the areas and members of the groups served . . .'"46 This was a clear attempt to bypass the local elites of the competitive sector, political forces which, of course, had already failed to integrate the ghettoized subproletariat into the established political process. The anticipation of a refractory attitude on their part is an obvious echo of the controversy around the Wagner and Social Security Acts.47 In fact, the Economic Opportunity Act, like its predecessors, was an example of enlightened social legislation developed by liberal experts (of the Ford, Russell Sage, and Kaplan Foundations)48 and supported on a federal level by the political representatives of the monopoly sector. In this sense it was a part of the traditional corporate strategy traced earlier.

The War on Poverty, however, became a sad example of the futility of mechanically applying a familiar response to a changed set of circumstances. The crisis of the thirties, although very serious, had been resolved by a combination of political compromise and (eventually) massive and permanent military spending, policies quite acceptable to the elites of the monopoly sector. The organized working class had thus been integrated through certain specific concessions. Its loyalty in practice was assured. No such specific measures suggested themselves in the sixties when it was clear that something had to be done to integrate the subproletariat.

The existence of the subproletariat obviously demanded a thorough re-ordering of the economy to create great numbers of jobs. Such a reform, although indispensable, would have been much more far-reaching than the concessions of 1935. It was, and is still, antithetical to the corporate elite's interests and hence unacceptable to them. Unable to really address the problem, the poverty warriors could only offer vital but inadequate services, illusory "participation" and a surfeit of rhetoric.

However, the Economic Opportunity Act was more than a mere assemblage of noble thoughts. In fact, it raised vast hopes and galvanized thousands of people into action, people who were organized with funds the Act had appropriated. Using a fairly small amount of money (relative to the total federal budget), the poverty program built a constituency. This constituency had a paid staff recruited from the natural leadership of the communities. The staff's pay did not, of course, come from the constituency itself and its accountability was therefore rather ambiguous.49 Even so, an internal political structure had been brought into being, a structure with many characteristics of a big-city machine of the type that had traditionally integrated the urban working class into the American polity.

Some of the community action agencies' activities were disruptive but they were more of a nuisance to local politicians and public assistance agencies than to the monopolistic elites. As Moynihan shows,50 moreover, even local politicians learned to live with community action which turned out to be less of a menace than they had expected.

All this activity failed, of course, to achieve the ostensible purpose of the War on Poverty. This ostensible purpose, however, was not a mere trivial obfuscation without social significance. It presupposed that certain services would change poor populations in ways that would move them toward self-support. A similar theory, on an individual level, informed the 1962 Amendments to the Social Security Act. The one approach was based on the rehabilitation of whole populations, the other of individuals. Although poor people do need many services, both as communities and as individuals, in their struggle for survival, it is also clear that success must forever elude any rehabilitative effort which aims "To move people off relief by renewing their spirit and creating economic and social opportunities for them,"51 when the entire emphasis is on the "spirit" and there is no serious effort to create anything like a sufficient number of jobs.

This extravagant rhetoric and vacuous content smacks clearly of a hidden purpose. In the case of the 1962 service amendments, however, the political ulterior motive is not as obvious as it was in the case of the war on poverty. Part of the reason probably is that the service program was designed by competent social workers in the Ad Hoc Committee on Public Welfare who certainly understood client needs.52 Unfortunately they also felt obliged to promise that services would materially reduce the welfare rolls by rehabilitating the clients. This promise was used to justify creating the beginnings of a comprehensive social service network, something Americans desperately need. Unfortunately, it depended on borrowed political

capital that could not be repaid. Since the rehabilitative effort could not possibly show any very satisfactory results in employment, there began to be political criticisms.53

As the sixties continued, the welfare system came to be seen as an increasingly serious failure. Recipients and their sympathizers damned it as a dehumanizing quagmire which provided grossly inadequate benefits. Much "public opinion" and its representative politicians bewailed the mounting expense. Both had a strong factual basis for their discontent. All the agitation of the War on Poverty had not created substantially higher grant levels. It had, however, played a role in the dramatic expansion of the rolls which grew, nationally, by 107% from 1960 to 1969. 54 A large part of the increase came even after the industrial boom of the Vietnam War began in 1965, further evidence for the existence of a mass subproletariat.

Piven and Cloward, who were deeply involved in the welfare rights movement, see the explosion of the welfare rolls as the result of three factors: the rise of community action agencies offering advocacy services, the setting up of legal services agencies which fought for recipients' legal rights, and the mobilizing of people in poor areas by community organization.55 They demonstrate that all these elements were the result of federal action and that although there was no particular popular demand for them before their establishment56 they very quickly generated an enthusiastic response from the impoverished populations which received the services. The response, as we have seen, was quite in keeping with the interests of the monopoly sector and the Democratic Party on a national level -- the subproletariat began to be integrated into the established political process. However, it was not enough to organize this group and given it a voice. Even in the paternalistic context of the poverty program, certain expectations were raised, expectations which had to be met in some way.

The simplest and most readily available palliative was welfare, which expanded at a furious rate. The great majority of new applicants had been eligible for some time.57 What had changed was the ease with which their cases were accepted. Any person who worked in a public assistance agency in the later sixties was aware of the loosening eligibility standards, typified by the fact that a certain acceptance code was used in those years by the New York City Department of Welfare to designate cases which had become eligible through liberalization of agency policy.58 Significantly, no code existed to fit a hypothetical opposite circumstance.

The expansion of welfare, however, could not fail to call forth a reaction. In some localities the local share of public

assistance was beginning to be a fiscal burden, resulting in rising taxes, a source of discontent among the working population whose declining living standard did not increase their receptivity to rising welfare outlays.59

But the core of opposition to welfare was the local competitive sector business elites, who had always disapproved of relief and now had a certain mass following for their campaign against the "welfare mess."

Welfare's legislative defenders were in a dilemma. In 1962 they had enacted the service amendments. A few years later they had set up the poverty program. But poverty continued to exist and public assistance seemed to grow with no end in sight.

None of this is entirely surprising. The subproletariat could only have been employed with a major and very expensive effort at job creation and retraining. This would have required redistribution of wealth or a significant reduction in military spending or both. These solutions were politically tabu and so the legislative response followed the tradition of imposing work requirements on the recipient, setting up the "Work Incentive Program" (WIN) 60. Since this did not address the problem of job availability any more than earlier efforts, it must be viewed as a self-indulgent act of legislative petulance.

Attempts to enforce the work ethic on the subproletariat are essentially ideological exercises. But not all politicians are a prey to such illusions. After all, as we have seen, the declining ability of the labor market to absorb the potentially employable can be demonstrated with non-esoteric figures from the Bureau of Labor Statistics. Not surprisingly, some changes in public policy seem to signal the beginning of a new approach to relief.

Perhaps the most important of these changes is the administrative separation of social services from financial assistance, a clear break with the 1962 service amendments which had assumed that each recipient was employable unless proved otherwise. Separation implies an opposite assumption, relegating non-financial services to a relatively limited role and introducing the concept of "income maintenance" with its connotations of permanent dependency. To be sure, some authorities have envisioned separation as enhancing services (i.e., the accumulation function). "Why not," wrote Gordon Hamilton in an early statement of this theme, "take the albatross of 'relief' from the neck of social service?"61 This kind of thinking was current in many circles during the sixties. Why, it was asked, does one need a social worker just because one happend to be poor?

The abstract logic of these ideas is impeccable. Unfortunately, they have served, in practice, to give a propagandistic cover to the crippling of services.

Separation, under federal mandate, prevailed in most of the country by the early seventies. Its practical meaning quickly became apparent. One of its first victims was the insurgency of relief recipients that had seemed so powerful in the sixties. The kind of bureaucratic flexibility that the National Welfare Rights Organization had exploited (by demanding clothing and other discretionary special grants) is gone now and NWRO declined to the point that it was destroyed in 1973 by the National Caucus of Labor Committees.62 The public assistance rolls remain high, however, and it seems impossible to reduce them to anything like the levels prevailing before 1960 or 1965.

The welfare system, in practice, seems now to be moving towards being a custodial operation. It sustains life, minimally, to avoid the kind of mass starvation prevalent in underdeveloped countries. And it gives relief in a way that induces atomization and passivity. The custodial concept is not publicly acknowledged, of course, and indeed it is anathema to all politicians and much of the electorate. They do not realize yet that an epochal change has taken place, that for the first time since the decline of feudalism, there is a large and permanent subproletariat with no realistic prospect of absorption into the workforce. The custodial concept tacitly recognizes this historic fact. But since the concept has not yet been elaborated coherently by any of the theoreticians of public policy, one can only guess about the eventual mature form they will give it.

The development of the subproletariat and, derivatively, of the custodial principle, imply, most significantly, that the traditional function of relief as the disciplinarian of the workforce, has been eliminated, at least potentially. After all, the disciplinary function presupposes that the recipients, or at least the able-bodied among them, are members of the workforce who happen, momentarily, to be jobless. But events of the sixties clearly show that relief can expand even in boom times, irrespective of cyclical fluctuations in employment. Hence it is clear that most public assistance clients, not belonging to the workforce, can hardly be subject to its discipline. To this extent, then, it may be said that Piven and Cloward, the chroniclers of the disciplinary function, are obsolete.

There is, however, yet another development which confuses this whole issue. Just at the point when the development of the economy had created a permanent subproletariat, apart from the

labor force, it also entered a period of chronic stagnation and high unemployment, factors which tend to blur the distinction between the subproletariat and the more or less steadily employed workforce whose recurrent joblessness is still the result of cyclical changes. This working-class stratum has often belonged to the mass following of the anti-welfare demogogy of recent years. Now such people frequently find themselves receiving public assistance or, even more often, food stamps and unemployment insurance. This experience probably tends to alter their view of relief, but just as important, their obviously involuntary unemployment vitiates the argument that welfare clients are really shiftless loafers. How long this situation will continue is uncertain. The immediate result partly depends on the vicissitudes of party politics. However, the economic recovery now in progress has shown itself to be compatible with a level of officially reported unemployment so high that President Ford's spokesmen have resorted to vilification of his own Bureau of Labor Statistics.63 Unemployment in the workforce is likely to be high for the foreseeable future.

The persistence of this joblessness, although a human tragedy, does at least have the potential merit of uniting in suffering the somewhat more regularly employed portion of the population with the subproletariat. An alliance of these two elements is the only possible basis for political resistance to the attack on the American living standard, a resistance which becomes more and more crucial all the time as the corporate liberal polity deteriorates.

The liberal corporate state, as we have seen, was founded on a number of compromises among social groups. The initial arrangements were the key legislative enactments of the mid-thirties. World War II brought national unity and prosperity, perpetuated in the later forties by the permanent war economy and political/economic domination of the rest of the world. This was a key accommodation. In effect, the corporate elite guaranteed the working population a rising living standard which formed the basis for integration of every social element into the corporate liberal social order. In the fifties social scientists celebrated the "end of ideology" and proclaimed that the material basis for social conflict had vanished in the United States, a nation in which nearly everybody was "middle class."

This conception of American reality was wildly exaggerated, of course, but it was true that the general living standard improved steadily enough that most Americans came to see continued improvement as an inalienable right of citizenship. In fact, this "right" existed only as long as the corporate elite could afford it. To be sure, they could afford it for two decades, but they cannot afford it any more. Hence, they have taken steps to protect their own financial position at the expense of almost everyone else. The Vietnam War stimulated business activity and as a result the living standard

declined only gradually for awhile.59 The war is over now, however, and in recent years the American living standard has come under heavy attack from the business community.

In the social services we are painfully familiar with this corporate assault, which has taken the form of budgetary restrictions in the name of fiscal responsibility. Although there is a wide variety of ideological justifications for the attack on social welfare, most of them are rationalizations of fiscal pressures imposed by the centers of corporate and financial power. In some cases this power has been used quite openly, as in New York City, where an ultimatum from a well-organized group of banks forced the local government to yield control of the city administration to a board of financiers and corporate executives.

Nationally the corporate pressures have been more casual and covert. Still, the business press grows steadily more frenzied in proclaiming a "crisis in capital formation." Business Week,64 for example, recently published a special issue with the banner headline: "Capital Crisis: The $4.5 trillion America Needs to Grow." Other publications have sounded the same theme in recent months. The gist of their argument is that:

> The jaws that threaten the nation's well-being are not those on the giant fish that loom up in front of moviegoers, but those on the yawning capital gap that faces the U.S. this year and as far ahead as anyone can see.65

The shortage of investment capital, they believe, is so serious as to preclude further expansion of American industry. Their solutions include: reductions in government spending to release capital for corporate use, changes in the tax structure ". . . so that the cash flow to business increases,"66 and other changes in public policy to benefit corporate interests. They acknowledge that "there is a problem in that any tax break for businesses comes on as a business welfare program while businessmen are not perceived by the general public as among the deserving poor."67 Unpopular though it may be, however, a diminished living standard for most Americans is, they believe, the only solution. Business, which used to exhort us to increasing consumption, has been taken with an almost Calvinistic austerity and believes us to be ". . . a society that is too profligate in consuming rather than saving. . . ."68

Social service workers, long used to working with insufficient resources among the desperately poor, may not recognize "profligacy" as a universal characteristic of American society. They may even imagine that the "crisis in capital formation" is only a propagandistic

deception. There is indeed a large measure of press agentry in Business Week's florid language. Unfortunately, there is also enough reality to constitute a serious strategic problem for those who wish to preserve and extend the social services. It is the reality of the American political economy's essential irrationality, a system which can only avoid collapse by institutionalizing waste, war, and pointless destruction. Recognizing this fact, however, does not diminish the problem although we are not constrained by any inherent logic to accept Business Week's solutions.

It is true that money capital is relatively scarce, interest rates are high, and that great numbers of businesses are so deeply in debt that they constantly borrow to pay off their obligations. This is the reason for the calls of corporate spokesmen for government retrenchment, calls which find political echoes in the Baptist and Buddhist rhetoric of Jimmy Carter and Governor Brown.

The shortage of liquid capital would seem to be a purely economic problem, far removed from our concerns, and yet it is the basis for social welfare's most menacing political opposition. It is vital, therefore, to understand its origins in order to develop a strategy for social welfare.

The shortage developed slowly, reaching serious proportions only recently. Its roots, however, are in the corporate liberal response to the Depression, a crisis which, as shown earlier, arose out of the market's inability to absorb the products of industry. In the forties the government became the "consumer of last resort," buying war materiel to keep the economy going at a high level of prosperity. Although parts of Asia and Europe slipped from its grasp, the United States had emerged from the war as the dominant world power. Its military, despite a partial demobilization, was maintained to assure, among other things, that the "Free World" would be a secure market for American industry. Militarism, therefore, developed two important economic functions: in itself it consumed vast quantities of industrial products, and it enforced their consumption by people in other countries.

Military spending could not be financed entirely out of taxes. As a result, the Federal budget has been in deficit almost every year since the beginning of World War II. Economists at first believed that deficits were a healthy economic stimulus. More recently, however, deficits have become a source of concern, seen as inflationary. And the economists are right after all. When Washington spends more money than it receives in taxes it makes up the difference by selling bonds, notes and similar instruments. Banks and corporations buy most of this paper which can then be used in their transactions just

like ordinary currency. The total supply of dollars in circulation increases and is far greater than the gold reserves which supposedly back it.

Inflation is in fact just that -- a situation in which growth of the money supply outruns the growth of commodities (gold is only a specialized commodity, after all).

Deficit spending at home and economic expansion abroad became a fairly consistent Federal policy. For years they seemed to have "solved" those problems of American capitalism that seemed so disastrous in the thirties. In reality, the solution was only a palliative. Under the tranquil surface of prosperity the fundamental dilemmas persisted and in the end proved to have created new problems in addition to the old.69

The policy of economic expansion embodied contradictory tendencies: a tendency to absorb American products by creating markets and a tendency to arouse opposition overseas which caused, derivatively, other political and economic problems at home and abroad. In Vietnam, the second tendency came decisively to the fore.

The military establishment is not simply an exercise in job creation after all. American economic dominance could never have been maintained by purely "peaceful" means like subsidies to conservative foreign politicians (as in Italy) or sponsorship of military coups (Guatemala, Iran, Chile, etc.). As a result, for more than a generation, the United States has maintained garrisons around the world. This vast military presence has been fairly successful. On the other hand, the victory in Vietnam showed that the Washington government and the corporate elite cannot afford many failures.

The Vietnam War was a logical consequence of a long-standing policy: 1) no part of the world would be abandoned which was open to domination by American commercial interests, and, 2) almost any area could be a potential market for American corporations. In fact, foreign sales grew more rapidly from 1950 to 1965 than sales in the more easily saturated domestic market.70 The policy did not, of course, necessarily correspond to the particular needs of specific corporations, in each instance, but it did (and still does) reflect the general interests of the monopoly sector. The war increased military expenses, but its unpopularity meant that the Johnson regime dared not defray them with heavy taxes and austerity (as in World War II). Instead the Federal deficit grew from $1.6 billion in 1965 to $25.2 billion in 1968. 71 War production reduced unemployment to 3.5% in 1969, 72 greatly increasing labor's bargaining power. Following the lead of the unionized, workers in general raised their incomes

almost fast enough to keep up with inflation. American products, at inflated prices, could not compete well with those of other countries and in 1971, for the first time in the century, the United States imported more than it exported.73 This decline in American economic hegemony and the loss of foreign markets threatened the whole policy of economic expansion which had helped "end" the crisis of the thirties. From 1965 to 1970 corporate profits (i.e., money capital) had declined by 10.6%.74 From the corporate standpoint this situation was a disaster. It was the basis of the crisis in capital formation of today.

The American economy, a vast structure erected on shaky foundations, continues to confound its managers. Presidents Nixon and Ford saw inflation as the crucial enemy. They devalued the dollar to make the United States more competitive internationally, cut labor costs with a wage freeze and did little to relieve the most serious recession in forty years. Banks and corporations, with help from politicians of both parties, have used the New York City fiscal crisis to scare the citizens into accepting reduced levels of government services and permitting wealth to flow to the major commercial and financial centers. The elite is especially persistent in pursuit of this capital because nearly all large corporations are deeply in debt and most banks have abandoned sound business principles and ordinary common sense in making loans. They have built a precarious network of obligations in which a failure of any one participant could, at least in theory, precipitate a general collapse with bank failures, corporate bankruptcies, and other horrors.75

There is a traditional myth which holds that businessmen, concerned with the stern realities of the world, are necessarily hard-headed and practical. Without much thinking about it, many of us still tend to assume that if these pragmatists think there is a capital shortage then there must be a capital shortage. If they and their economic experts say it exists because of our "profligacy" and must be relieved at our expense, we feel upset but do not presume to question their expertise.

As we have seen, there really is a shortage of money capital (not of other kinds though -- inventories are quite high at present) but it exists as an unintended consequence of policies designed to save business from the irresistible need of an unplanned, profit-oriented economy to produce more goods than the people can buy. Business is in a serious dilemma and the corporate pragmatists want the majority of Americans to sacrifice in order to get them out of trouble. It would be possible, of course, to resolve the crisis at <u>their</u> expense and not at the expense of the poor and working people. Various solutions are possible. The choice between them is a

political question.

The capital crisis and the development of the subproletariat, pose a serious threat to social welfare. Unable to regulate the subproletariat as it has traditionally disciplined the labor force, social welfare is correspondingly less useful to both the corporate elites. The leaders of the monopoly sector increasingly employ the hackneyed anti-relief rhetoric of the competitive sector elites. The capital crisis gives an urgency to their denunciations.

The American political economy has evolved, in recent decades, in a way that has destroyed the necessary conditions for existence of the corporate liberal alliance for social welfare. Social welfare's partisans must develop a completely new approach, based on the concrete realities of today, in their fight to preserve and extend services.

Part IV, Towards A Renewal of Social Welfare

The struggle for social welfare will have to be consciously political, and in unprecedented ways. Social welfare partisans must learn to recognize enemies as well as friends and to see political issues as questions of power. Since the traditional supporters in the business elite are unreliably friendly at best, social welfare must have a mass base of support in other areas of the population, among that great majority of Americans whose interests are fundamentally opposed to those of the elite. This means, of course, that social welfare must abandon the stance of the "expert" who is above politics, a relic from the heyday of corporate liberalism. In reality, social welfare's work has always had political implications and it was only the nearly total hegemony of the monopoly sector corporate elite which made it possible for that stratum's chosen policies to appear as the only conceivable products of science and intellect.

Nowadays social welfare can only advance if it makes a clear political commitment and follows a general strategic plan as part of a popular anti-corporate movement.

This proposition can only seem abstract at present. The majority of working people are fragmented and discouraged, divided very frequently around issues of social welfare itself, with relief the supposed object of mass hostility. It is entirely possible, however, that the opposition which many public opinion polls purport to demonstrate is an opposition to the cost of services rather than to the services themselves. In view of the staggering burden of prevailing taxation, this attitude is perfectly comprehensible. In the absence of any credible political force pushing for a thoroughgoing

reform of state finance and a redistribution of wealth, the average voter has little choice but to accept the fiscal stringency on which most of the significant centers of power in the U.S. seem to have agreed. Insofar as working people do oppose social welfare, it is probably because they see it as a set of programs for the subproletariat, a stratum they often resent as parasitic. Their feelings have a certain basis in reality -- the subproletarian poor do live off wealth produced by others, and the social services they use do tend to be separate from those used by the working class. Of course, it is not their fault that they have been excluded from the workforce and live off public assistance rather than wages, salaries, or unemployment insurance benefits. The fact remains, though, that the organization of social welfare reflects the division between these two social strata.

Working people need social services too, of course, and have fought hard for some of them, especially daycare and some ancillary services in medical and educational settings. These struggles have been difficult in recent years as the pressure of the capital crisis has intensified. The difficulties are increased by social welfare's subproletarian stigma.

On the other hand, there are programs which are entirely respectable because they are clearly established to help less fortunate members of the workforce. Social security and unemployment insurance are examples.

This fragmentation of both the social services and their political base is a serious source of divisiveness and weakness. The first task for partisans of social welfare is to overcome this disunity. It is possible that the blurring mentioned earlier of the distinction between subproletarians and unemployed workers may play a salutary role. In addition the partisans must propose policy changes to break down the distinction between the two types of programs. Some examples are the funding of Old Age and Survivors Disability and Health Insurance out of general revenue, the retention of the food stamp program for a wide stratum of working people, and a broad range of non-financial services under Title XX of the Social Security Act for both relief recipients and those who are better off.

The Social Security tax is regressive and a burden. In addition it seems insufficient to guarantee the program's long-range solvency.76 Funding OASDHI out of general revenue raised by a supposedly progressive income tax would be an improvement in principle. More importantly, it would mean an abandonment of the insurance concept and convert OASDHI into a relief program, a relief program, however, with enormous popular support. Such a transformation of social security

would begin to undermine the pariah status of public assistance.

The unifying character of the broad food stamp and Title XX programs is obvious. It might be argued, of course, that a more narrowly focused effort would result in a better service for those most in need. As an abstract argument, this is true enough but in practice we must recognize that a narrowly focused program has a correspondingly narrow basis of popular support and is thus more subject to scapegoating and funding cutbacks. To demonstrate this one need only compare the relative popularities of public assistance and OASDHI. The possible changes in policy begin to address the question of how a new mass base for social welfare can be formed. They do not, however, speak to the question of funding and the crisis of capital formation. How can funding for social welfare be increased?

A partial answer lies in a thorough revision of governmental spending priorities, a turning away from militarism. It is not enough, however, to propose, for example, that the Pentagon forego two B1 bombers so that social service funding may be augmented by equivalent billions. What is needed instead is a thorough plan for demilitarization of the entire economy.

Discontent with militarism is a constant undercurrent in American political consciousness, although no established political tendency articulates it forcefully. Still, the Cold War could only be instituted after a systematic effort to delude and terrorize the American populace 77 who, even so, voted for what claimed to be peace candidates in 1952, 1964, 1968, and 1972. Opposition to militarism arouses the fury of red-baiting conservatives and the occasional support of certain liberals, who timidly propose marginal reductions in military procurement. The liberals have a long history of losing such arguments, mostly because their position is based on nothing more than a series of quibbles about the relative strength of Soviet vis-a-vis American military might. They do not challenge the purposes of militarism. Obviously, liberal anti-militarism, having conceded basic premises to the right, can only be feeble and tentative. A genuine anti-militarism, by contrast, must forthrightly attack militarism's premises. The Vietnamese fiasco has substantially discredited the idea of the United States-as world-policeman. And the view of military spending as a creator of jobs is rapidly losing its basis in reality.

Military spending tends to create jobs. Its defenders always emphasize this fact. But they ignore another, paradoxical reality: that it also tends to eliminate jobs. In earlier years the first tendency prevailed, but recently the second has become increasingly

dominant. The constant effort to maintain military superiority over the USSR requires ever more technologically sophisticated armaments. More sophisticated weaponry implies more technologically advanced industries to build it, industries requiring a more skilled and less numerous workforce. Military spending thus fosters technological unemployment and compounds the problem created by sluggish growth in the number of low-skill jobs. The harm military spending does to the job market has recently been documented in a study which shows the differences in the number of jobs resulting from $1 billion of federal expenditure in the military as opposed to several other areas.78

In addition, military production, by failing to either meet consumers' needs, or produce equipment other manufacturers could use to meet them, does not generate as many jobs as civilian production. In fact, military production's products are either used up (i.e., destroyed), or become obsolete and get scrapped without ever being employed. Either way they are wasted without producing economic wealth that human beings could use.

Opponents of militarism are clearly in a position to make strong appeals to the self-interest of most Americans. Although the Vietnamese victory removed the immediate impetus for public debate on militarism, it is probable that a vague comprehension of these facts lies at the root of the considerable (though partly latent) distrust of the military which persists despite the jingoism of many politicians and the mass media.79 There are grounds for cautious optimism, at least, in thinking that a coherent plan for conversion of the economy away from militarism could win many adherents. Certainly, it would have a more beneficial effect on inflation and unemployment than anything anyone else has suggested. And since militarism is mainly a mechanism for the care and feeding of corporations, a political effort against militarism is necessarily part of the growing anti-corporate movement.

Supporters of social welfare must attach themselves to the broad progressive coalition which is gradually evolving in opposition to the corporate attack on the American people. Some workers will disagree, arguing that they should continue in their traditional role as "dispassionate experts" trying to solve the problems of society. That role was somewhat relevant in the earlier years of the liberal corporate state. Unfortunately, that role was based on the willingness of the corporate elite of the monopoly sector to sponsor efforts at social amelioration -- the nicer side of regulating the workforce, legitimation. With the advent of the subproletariat, the custodial function, and the capital crisis, the elite is less friendly. The social welfare expert has less to offer them than

before. The corporate liberal order is crumbling.

If social welfare is to survive it must become part of a new force, the independent movement of the American people toward peace and prosperity. Social welfare need not go as a supplicant -- it has much to offer in training, experience, and program -- but it is a truism that social welfare needs friends and this is the only possibility.80

FOOTNOTES

1. This formulation is derived from James O'Connor's The Fiscal Crisis of the State, New York, St. Martin's Press, Inc., 1973, P. 6.
2. New York, Vintage Books, 1972.
3. Piven and Cloward, op. cit. P. 71.
4. Ibid., P. 81-83.
5. Ibid., PP. 104-111.
6. U.S. Bureau of the Census, Historical Statistics of the United States, Colonial Times to 1957, Washington, D.C. 1960, Series D767, P. 99.
7. Berle, Adolph A., The American Economic Republic, New York Harcourt Brace and World, Inc., 1963, P. 95. Berle was a participant in the events his book so proudly hails. The work, written in the flush of optimism of the New Frontier, is a paean of praise that has not worn well with the passing of years.
8. O'Connor, op. cit. PP. 13-17.
9. A state of affairs technically called oligopoly.
10. Concentration occurs with varying rapidity in different industries and this uneven development often fosters the unrealistic belief that the process can be prevented or even reversed. Anti-trust legislation is a perennial expression of this nostalgic hope.
11. Domhoff, G. William, Who Rules America?, Englewood Cliffs, Prentice Hall, 1967 Chapter IV passim.
12. Ibid., P. 81 and P. 75.
13. Domhoff, G. William, The Higher Circles, New York, Vintage Books 1970, 1971, P. 352.
14. Baran, Paul and Sweezey, Paul, Monopoly Capital, New York, Monthly Review Press, 1966, PP. 47-48.
15. Quoted in Weinstein, James, The Corporate Ideal in the Liberal State, 1900-1918, Boston, Beaxon Press, 1968, P. 16.
16. Ibid.
17. Commager, Henry Steele, Documents of American History, New York, Appleton-Century-Crofts, 1968, Document 500, P. 16.

18. Dimitroff, Georgi, United Front Against Fascism, New York, New Century Publishers, 1935. In fact the party quickly abandoned its intransigence in willing obedience to a decision of the Seventh World Congress of the Communist International of July 25 - August 20, 1935. By a nice irony, the new policy of United Front was adopted at about the same time as the Wagner and Social Security Acts were passed. In its American interpretation, the Front involved support of the New Deal.
19. Laisser faire theory has a perfectly legitimate claim to be called liberal too, derived as it is from the classical liberal tradition of John Locke, Adam Smith, and the American founding fathers. The theorists of the New Deal, of course, felt they were applying fundamental liberal principles to a changed reality. (See Berle, op. cit. P. ix) and they were right. Their changed reality was an economy dominated by monopolistic corporations just as the older reality of laisser faire had been an economy of many competing firms. "Conservatives" and "Liberals" in the United States are really exponents of different interpretations of traditional liberalism. Their underlying philosophical identity is a source of confusion in common political discourse and makes basic political distinctions less clear than in some other countries. In this paper the term "corporate liberalism" is used to denote the political theory of the New Deal and the liberal corporate state.
20. From Poor Law to Welfare State, The Free Press, New York, 1974, P. 244.
21. Ibid., P. 243.
22. Wilensky, Harold L. and Lebeaux, Charles N., Industrial Society and Social Welfare, Free Press, New York, 1965, P. 284. This standard textbook takes a clearly corporate liberal view of social work. Significantly, it originated as a project of the Russell Sage Foundation, a philanthropy endowed with the fortune of an early corporate figure which has had a considerable impact on the development of corporate liberalism in general and social services in particular. It supported the work of Mary Pichmond and was instrumental in the establishment of social work education.
23. Piven and Cloward, P. 33.
24. Ibid.
25. Ibid., PP. 200-205.
26. Derived from US Bureau of the Census, Statistical Abstract of the United States, 1972, Table 1000.
27. Piven and Cloward, op. cit., P. 201.
28. Ibid., P. 209.
29. Steiner, Gilbert Y., Social Insecurity: The Politics of Welfare, Chicago, Rand McNally, 1966, P. 28.
30. Ibid., P. 26.
31. This is a new class with a new relation to the productive process and no very satisfactory term has been found to designate it.

"Subproletariat" seems the best compromise between descriptiveness and inoffensiveness. O'Conner, op. cit., prefers "surplus population." The stratum is indeed superfluous to the process of industrial production as presently constituted and the term is thus descriptive. However, it offends the sensibilities of many. "Underclass" sounds just as denigrating and is vaguer. "Lower class" is vaguer still. "Structurally unemployed class" and "permanently unemployed class" are cumbersome and not very evocative as is "marginalized population" a favorite of progressive circles in Latin America where the phenomenon is even more advanced than here. Finally, some propose "lumpenproletariat," an unfortunate choice. The original Parisian lumpenproletariat of 1849 was a quite different kind of population. (See Marx, Karl, Der Achtzehnte Brumaire des Louis Napoleon, in Marx-Engels Werke, Berlin, Dietz Verlag, 1960, Volume 8, Chapter V., PP. 160-161.

32. See Thompson, E.P., The Making of the English Working Class, New York, Vintage, 1963. This book would seem at first to be rather remote from our subject. However, it presents the formation of a working class in a schematic form that is easier to understand. In the United States the analogous process is complicated, incomplete and confusing. In addition, Thompson shows some cultural characteristics of impoverished ex-rural people that are startlingly reminiscent of the modern American subproletariat. In England, however, absorpotion into the workforce eliminated the more disruptive and dysfunctional characteristics, replacing them with a kind of "poor-but-honest" sobriety. In the United States the formation of the subproletariat seems to perpetuate them.

33. Derived from: U.S. Bureau of the Census, Statistical Abstract of the United States, 1972, Table 366.

34. Ibid.

35. Ibid.

36. Derived from: U.S. Bureau of the Census, Historical Statistics of the United States, Colonial Times to 1957. Washington, D.C., 1960, Series D. 1 and D. 2.

37. Ibid.

38. See Ostow, Miriam and Dutka, Anna B., Work and Welfare in New York City, Johns Hopkins University Press, Baltimore 1975. A study of public assistance case records prepared under contract with the U.S. Dep't of Labor. It is a valuable examination of stratification within the New York City caseload.

39. Piven and Cloward, op. cit., P. 201. More recently the pattern has changed again.

40. Maximum Feasible Misunderstanding, New York, The Free Press, 1969, 1970. Moynihan's gradual emergence as a militant spokesman for the far right should not blind us to his valuable reminiscences. To be sure, he presents community action only as a debacle in which an intellectual failure worked itself out in the local and national

politics of the country. He ignores the broader social and economic context of American politics and the interests of the monopoly and competitive sectors. He also fails to look clearly at the crucial issue of the subproletariat as a permanently unemployed stratum. However, he seems to have been a fairly accurate observer of whatever his conceptual blinders allowed him to see.

41. Ibid. P. lvi. He was then Assistant Secretary of Labor for Policy Planning and Research.
42. Ibid. P. 62.
43. Ibid. P. 79. My emphasis.
44. Ibid.
45. Ibid. P. 87.
46. Ibid. PP. 88, 89.
47. Ibid. P. 132.
48. Ibid. Passim.
49. Ibid. P. 129.
50. Ibid. PP. 157, 159.
51. Ribicoff, Abraham, "A New Look in Public Welfare," in The Social Welfare Forum, 1962, New York, Columbia University Press, 1962, P. 24.
52. Steiner, op. cit. PP. 37-38.
53. Ibid. P. 63.
54. Piven and Cloward, op. cit., Appendix.
55. Ibid. P. 250.
56. Ibid. P. 257.
57. Ibid. P. 219.
58. A recollection from personal experience.
59. This is an important point. Real wages, which had risen an average of 2.05% per annum from 1947 to 1965, fell steadily (by a yearly average of .27%) for the succeeding five years. See the Manpower Report of the President, 1972, Table c-11, from which these figures have been computed.
60. Coll, Blanche D., Perspectives in Public Welfare, Washington, D.C., USDHEW, 1969.
61. Social Work, VII, 2, 128 (1/62).
62. N.C.L.C. National Caucus of Labor Committees, Brownshirts of the Seventies, P. 4. Available from Terrorist Information Project (T.I.P.), P.O. Box 1424, Arlington, Virginia 22210. This pamphlet offers useful information about a very disturbing subject. The T.I.P.'s "research originated under the auspices of Fifth Estate, the publishers of Counterspy." (An acknowledgment appearing on the inside front cover of the pamphlet.)
63. Business Week, No. 2441, July 19, 1976. The unemployment rate B.L.S. reported in June, 1976, was 7.5% up from 7.3% in May. The Presidential Press Secretary, Mr. Ronald Nessen's, remarks were doubly inappropriate in view of the well-known conservatism of

B.L.S.' procedures in gathering data. A jobless person is not considered enemployed unless he has actively sought work in recent weeks. This narrow definition alone excludes millions from the unemployment figure. The exclusion is a matter of methodological rigor, not, as some believe, a politically motivated deception.
64. No. 2399, September 22, 1975.
65. Ibid. P. 42.
66. Ibid. P. 115.
67. Ibid. The business press is increasingly worried by the unpopularity of business and an extensive literature has grown up protesting that it is "misunderstood."
68. Ibid. P. 44.
69. This is a cursory survey of the contemporary economic predicament, oriented, of necessity, to the problems of social welfare. Baran and Sweezey, op. cit., offer a fine analysis of the fundamental theoretical issues. O'Connor, op. cit. a brilliant, though confusing account of its fiscal aspect. The Economic Crisis Reader (David Mermelstein, ed, New York, Vintage, 1975), is most accessible to the unsophisticated. For the ambitious, Joyce Kolko's America And The Crisis of World Capitalism (Boston, Beacon Press, 1974), traces the history of the crisis since the forties.
70. Magdoff, Harry, The Age of Imperialism, New York Monthly Review Press, 1969. The data are summarized from U.S. Department of Commerce publications.
71. U.S. Bureau of the Census, Statistical Abstract of the United States, 1971 (92nd Edition), Washington, D.C. 1971, Table 575.
72. Ibid. Table 327.
73. U.S. Bureau of the Census, Statistical Abstract of the United States, 1975, Washington, D.C. 1975. Table 1356.
74. Ackerman, Frank; MacEwan, Arthur, "Inflation, Recession and Crisis" in Upstart, No. 3, December, 1971. The data are computed from the Economic Report of the President, February, 1971.
75. In Mermelstein, op. cit.; Magdoff, Harry, and Sweezey, Paul, "Banks, Skating on Thin Ice." PP. 190-210. For example, they show (using Federal Reserve Data) that the large commercial bands in 1974 had loaned out an average of 82% of deposits. Obviously any loss of depositor confidence could cause mass withdrawals and massive bank failures. The recent collapses of the Franklin National, Security National and the German Herstatt Banks are not encouraging. Of course, these disasters were contained. Maybe subsequent ones will be too.
76. See "Propping up Social Security," in Business Week, No. 2441, July 19, 1976, P. 34.
77. See, for example, Belfrage, Cedric, The American Inquisition, 1945-1960, Indianapolis, New York, 1973, passim. This is only one of many accounts.

78. Public Interest Research Group in Michigan, The Empty Pork Barrel, Ann Arbor, 1975.
79. See Chace, James, "American Jingoism" in Harpers, 252:1512, May, 1976, P. 37.
80. In this connection it is important to mention Jeffrey Galper's brilliant and indispensable contribution, The Politics of Social Services, Englewood Cliffs, Prentice Hall, 1975. Galper offers an interesting strategic perspective.

THE CONSERVATIVE PROGRAM FOR THE WELFARE-WARFARE STATE: THE RESPONSE TO THE KOREAN, ALGERIAN, AND VIETNAMESE WARS

Clarence Y.H. Lo, Department of Sociology, University of California, Berkeley

Introduction

Limited wars after World War II have produced a right rather than a left turn in the politics of the industrially advanced countries. During the Korean War, the Republican party articulated the popular discontent about the war and captured the Presidency in 1952. Perhaps it is no surprise that the Korean War, accompanied by McCarthyism and MacArthur's demands for escalation, should lead to eight years of Eisenhower conservatism. Vietnam, however, created a strong left wing mobilization against the war; it is less obvious why Nixon was elected immediately afterwards. De Gaulle, another conservative, followed the French involvement in Algeria, which produced protests from both left and extreme right that brought France to the brink of a military coup and civil war.

This paper explains why the leaders of conservative political parties were so successful in the aftermath of limited wars. Conservative parties are those parties whose constituency is large and small business, managers, upper income professionals, and some white collar workers and farmers, exemplified by the Republican Party in the United States, the Gaullist Party in France, the Christian Democrats in Germany and Italy, and the Conservative Party in England. Conservative political leaders rose to power because they addressed the problems intensified by limited wars-- budget deficits, political stalemate, and inter-imperialist rivalries-- and, to some extent, enacted short term solutions--budget cuts, leadership above politics, and increasing national power.

The first section of the paper describes how budget deficits grew in limited wars because of increases in military spending, heightened opposition to taxes, and, in the case of the Vietnam War, increasing social spending to keep domestic order. Conservatives appealed to the mounting popular concern with inflation and proposed budget cuts. Part two argues that limited war also worsened the problem of political stalemate, the inability of any group or coalition to mobilize sufficient popular support to implement a coherent program. During the Korean War, the conflict between the Democrats' limited war aims and the Republicans' victory strategy intensified the already bitter conflict between the new deal and anti new deal coalitions. The Algerian War made the political stalemate of the Fourth French Republic a complete breakdown. The conservative response to political stalemate was the national hero-Generals Eisenhower and de Gaulle--who offered to govern the country without the deadlock of conflicting popular demands and ineffective politicians. Defeat in a limited war gave conservatives the opportunity to claim that they would increase national power. Eisenhower promised an affirmative policy of liberating the communist nations instead of merely trying to contain them, and

threatened massive retaliation at times and places that he would choose, rather than responding to communist initiatives. Nixon continued to use the rhetoric of increasing national power, but at the same time, sought to increase the U.S. standing in the world economy. After the Algerian War, de Gaulle also made French power a theme, through the rhetoric of grandeur, challenges to the U.S. position in the international monetary system, and increases in the French military budget.

The specific policies of budget cuts, leadership above politics, and national power reflect values which have been long associated with conservative politics. The conservative suspicion of state action and reform is reiterated in the program of budget cuts following limited wars; the conservative acceptance of inequality finds new life in the demands for reductions in government programs for the poor and disadvantaged. The calls for leadership above politics echo elitist suspicions about letting popular pressures determine government actions. National power, too, has been a long standing theme of conservatives. Despite the connections between the policies after limited wars and conservative traditions, it would be a mistake to portray the policies as the logical outcome of a consistent conservative theory. Conservatism has undergone dramatic changes throughout history. Most recently, as we shall see, the conservatives de Gaulle and Nixon vastly expanded the powers of the high levels of the executive branch of the national government, and used that power to accomplish major changes in policy. This "executive conservatism," is at odds with a major conservative tradition--the distrust of active government, and new policy departures, in favor of an equilibrium in government based on checks and balances.[1]

The flexibility of conservative doctrine is nothing new. Throughout history, while conservative principles have remained, specific positions on broad issues such as industrialization, democracy, and the state have often completely reversed. The constituencies supporting conservative views have also dramatically changed.

In the early stages of industrial capitalism, the social base of conservatism was landed and commercial wealth, which was seeking to resist the demands of the newly emerging industrial capitalists, workers, farmers, and artisans for equality and participation in absolutist governments. The conservatives of this period, who can be termed "traditional conservatives," not only were skeptical of maintaining order by concessions to the mob; they also doubted the industrial capitalists' claim that markets would control the labor force and insure popular compliance the face of continuing inequality and privilege.[2] Traditional conservatism favored the maintenance of social order by strengthening forms of community that had stabilized feudal society: the church, the family, the military, the small village, and other groups where hierarchies were maintained by customary deference and obligation. Traditional conservatism survives in the recent work of Nisbet (1976).

By the end of the nineteenth century in the United States, a particular variant of conservatism arose as industrial capitalists became the major constituency articulating the conservative principles of preserving property, privilege, and tradition. Laissez faire, rather than feudal notions of community, became conser-

vatism's major theme. American conservatism borrowed the liberal tradition of markets, rationalism, and individualism. Conservatives also made use of democratic rhetoric, although they continued to bitterly resist all popular attempts at reform and participation. (Rossiter, 1962: 128-62) Thus, the inconsistencies and flexibility of the conservative doctrine have allowed it to survive through vastly different historical periods. After the Korean, Algerian and Vietnam wars, conservative policies not only managed merely to survive. Conservatism was highly relevant in the crisis situation of the limited war and provided short run solutions that prevented intensification of the crisis.

Our view that conservatives can effectively respond to crisis, generate a consensus among elite factions, and gain popular assent for the policies, is a needed supplement to the prevailing view among new left historians. These writers have stressed the ability of the "corporate liberals" to accomplish new policy departures. While conservatives see popular movements as a threat to stability and order and hence are unwilling to make any concessions to them, corporate liberals become involved in the issues raised by popular movements and are more tolerant of reforms. Despite the corporate liberals' rhetorical acceptance of the goals of popular reform movements, the actual aim of the corporate liberals, according to new left historians, is to stabilize the capitalist system. For example, Kolko (1963: 255-78) contends that the "Progressive" Era reforms such as regulation of corporations and the establishment of the Federal Trade Commission increased the growth of large firms at the expense of smaller ones.[3] Corporate liberals in the National Civic Federation favored the recognition of moderate labor unions which would institutionalize class conflict without threatening the capitalist system. (Weinstein, 1968: 3-39) Bernstein (1967: 263-82) argues that the New Deal expansion of social spending prevented the intensification of popular discontent and provided business with expanded markets and a safeguard against deep recessions. Corporate liberal support helped blacks to reduce political and legal inequality. Thus, the civil rights movement was conciliated, and also, from the point of view of capital, the U.S. gained a more favorable image through the third world, where communist propaganda had effectively criticized the condition of U.S. blacks. Since new left historians see corporate liberalism as the long run interest of the capitalist class, conservatives, who opposed government regulation of corporations, the recognition of trade unions, and the welfare state, therefore also oppose capitalists' class interests, even though, ironically, the conservative position was the majority view of the business community at that time.

Although in the Progressive Era and the Great Depression, conservative opposition to reform was dysfunctional for capitalism, after limited wars, conservative remedies became more relevant. This interpretation differs from the "power shift" theory (Sale, 1973, 1975; Oglesby, 1973) which also attempts to explain the recent conservatism of politicians, government policies, intellectuals, and public opinion. According to the power shift theory, the owners and managers of the multinational corporations headquartered in the East continue to be corporate liberal. However, they are no longer dominant economically; they have been out-shined by the fast growing industries of the South and Southwest, which support conservative politics.

The sun belt's rising economic power is matched by rising political power of the conservatives. However, our analysis contends that the conservative revival does not result from a power shift from the eastern to the southern factions of the capitalist class. Multinational eastern business is still the dominant faction of the business community. On many issues, they are shifting from a corporate liberal to an executive conservative position because the interest of the capitalist class as a whole has shifted to the right.

Our methodology is to first consider the general outlines of the crisis of late capitalism: the fiscal crisis of the state, political stalemate, and shifting inter-imperialist rivalries. These three problems have been intensified by limited wars. Right wing politicians have taken the lead in identifying the problems, but have often presented a distorted analysis, calling for budget cuts, leadership above politics, and increasing national power. Despite the inaccuracies of their analysis, conservative politicians have succeeded in using these issues to win sweeping electoral victories near the end of each limited war.

Shifting attention from political campaigning, we next study how the Eisenhower, de Gaulle, and Nixon administrations dealt with the three problems. De Gaulle and Nixon, unlike Eisenhower, handled the problems by greatly strengthening the executive branch of the national government.

The specific details of conservative response will vary from nation to nation, depending on past history of the country, its place in the world economy, and its culture; no one case will exemplify all of the features of the conservative ideal type. Thus, the 1968 Nixon campaign placed relatively little emphasis on breaking a political stalemate. Reductions in government spending, the major campaign theme of the two Republicans, was not an important reason for de Gaulle's popularity. Nevertheless, in the long run, no administration could ignore the issues of budget cuts, stalemate, and national power.

In focusing on the conservative alternative to the crisis of late capitalism, we are not implicitly arguing that this alternative is in any way inevitable. Conservatism is not a long-run solution to the problems of capitalism. The fiscal crisis, political stalemate, and the destabilizing effect of inter-imperialist rivalries can be attacked through a wide variety of solutions, social democratic and fascist as well as conservative. The conclusion examines the potentialities and weaknesses of the other alternatives, and discusses the options available to the left.

We first consider how developments in late capitalism strengthened the conservative positions on budget cuts and leadership above politics. After briefly indicating some of the general causes of crisis in late capitalism, we will describe the intensification of crisis by limited wars and the response of conservative politicians.

Budget Cuts and Leadership Above Politics

O'Connor (1973a) has argued that the development of monopoly capitalism depends on growing state budgets, which has resulted in inflation and the fiscal crisis of the state. During the Korean and Vietnam Wars, high military spending and the demands of interest groups intensified the problems of inflation and fiscal crisis, which became successful campaign themes for both Eisenhower and Nixon.[4]

In the beginning of the Korean War, the fiscal crisis was latent. The initial popularity of the war produced an almost universal consensus for raising taxes; in the war's first year the federal budget had earned a 16.4 billion dollar surplus. However, military spending continued to soar, mainly propelled not by the fighting in Korea but by an ambitious program to rearm Western Europe and other U.S. allies against the Soviet Union. As the war entered its second stalemated year, popular opposition to taxes increased (Lo, 1976). Although compared to World War II, military spending in the Korean War was less, a higher percentage of it was paid through taxes instead of public sales of savings bonds. Tax rates approached World War II levels, and in the case of single individuals, were higher than in World War II.[5] A reluctant Congress would approve only self expiring, rather than permanent tax increases. President Truman's proposed budget for fiscal 1953 showed a deficit of $10.4 billion.[6] Pressures from labor unions, farmers, and business succeeded in weakening the government's wage, price, and credit controls, threatening a new round of inflation, which heightened the need for budget cuts.

During the Vietnam War as well, the concessions to interest groups combined with the costs of war to produce intense inflationary pressures. Black Americans insistently made new demands on the state; the possibility that the black movement would form an alliance with the anti-war movement was an added reason for concessions (O'Connor, 1973b). The expansion of government social spending in the 1960's benefitted countless other interest groups as well. For example, urban renewal programs mainly gave benefits to non-black interest groups--building contractors, central city land owners, savings and loan associations, and state workers. High social and military spending produced budget deficits; opposition of conservatives to social spending and leftists to military spending led to opposition to taxes which worstened deficits and inflation (Lo, 1976).

One possible remedy for inflation was to reduce government spending. Sheer numbers, combined with conservative priorities, pointed to emphasizing cuts in military spending after the Korean War, and cuts in social spending after the Vietnam War. Social spending had risen more (and military spending had risen less) in the Vietnam War compared to the Korean War. During the Korean War (between fiscal year 1950 and 1953) social and economic spending rose by $1.2 billion (to $10.5 billion). (National Defense spending rose by $37.4 billion to $50.4 billion.) During the Vietnam War, (fiscal 1964 to 1968), social and economic spending rose by $14.7 billion (to $32.8 billion). (National defense spending rose by $26.6 billion to $80.4 billion.) (Department of Defense, 1972: 192.) Military spending could be cut after the Korean War because the war had successfully kept half of Korea in the

U.S. oriented bloc.

Cutting social spending was a winning issue for Nixon, as was cutting military and social spending for Eisenhower. Capitalizing on the backlash against black riots of the late 1960's, Nixon criticized the Democratic party's policy of social spending, counterposing his own law and order approach. Boyd (1971) compared the ability of different issues to account for Democratic party identifiers who did not vote for Humphrey in 1968. The second largest defections occurred among people feeling that riots should be met by "all available force to maintain law and order," instead of correcting "the problems of poverty and unemployment."[7]

Edged on by Republican fiscal conservatives and neo-isolationists like Taft and Hoover, Eisenhower promised to reduce government spending to $60 billion by fiscal 1955, making possible tax reductions.[8] The most decisive issue in the 1952 campaign was Eisenhower's promise that ending the long and expensive Korean War would be the first priority of his administration.

The Republican Party was in a position to benefit from the issues of inflation and budget cuts because of their past campaigning. The debate over the continuation of the New Deal in the immediate postwar period identified the Republican party as the representative of popular discontent about high taxes, the mounting national debt, and the large size of government budgets. During the Korean War, the right, rather than the left, was able to make high military spending a campaign issue because of the previous Republican criticism of costly international commitments. Their stands against the Democratic policies of preparedness for World Wars I and II and excessive economic aid for Europe made the Republicans seem the group most likely to reduce government spending for foreign affairs and the military.[9]

Another source of conservatism is political stalemate. A political stalemate is the inability of any group or coalition to mobilize sufficient popular support behind a program to deal with a particular problem of capitalism. The simplest form of political stalemate occurs when one political party proposes a solution to a problem, and that solution is blocked by other political parties or popular groups so that the state takes no action, or only ineffective action. This, we argue, was the situation of the first Nixon administration, where the strategy of domestic budget cuts was stalemated. Another version of political stalemate occurs when two parties propose different solutions to a particular problem of capitalism. Each political group has just enough strength to block the proposal of the other political group, but neither has enough power to successfully implement its own proposal. This second type of stalemate was exemplified by the politics of the Korean War, where the Republican option of air and sea war with China stalemated the Democratic option of continued, limited, land war in Korea and a negotiated settlement. The most extreme form of political stalemate is a deadlock on all major issues. Political parties fragment; no group is able to govern the country for more than a short period. The Fourth French Republic is the best example of such an extreme stalemate.

Political stalemate is most dangerous if it is combined with an economic or

international crisis which compels a certain response which the political system is unable to deliver. Then, political failings intensify crisis. This conjunction between political stalemate and crisis occurred in each limited war.

Political stalemate, while primarily a problem from the point of view of the capitalist class because it blocks needed policies, is also a problem for the population at large. The intensification of a crisis usually has detrimental consequences for the people (such as inflation or a prolongation of casualities in a war), which leads to popular resentment against politicians and the political system. The conservative solution to political stalemate is to seek solutions to problems without gaining consent from the political parties. One means of achieving this is the ascendency of a national hero, often a victorious general, who claims to stand above the existing deadlocked politicians. The classic cases of such heroes are Napoleon and Louis Bonaparte. Karl Marx (1869) analyzed the deadlock of the French political parties in the 1840's and argued that their inability to govern the country paved the way for the regime of Louis Bonaparte. Bonaparte took advantage of the paralysis of government to make demagogic claims that he would sweep the incompetent politicians aside, restore order to France, and embark on a series of foreign adventures.

The national hero solution is conservative because it involves subordinating the confusion of popular demands, interests, and competing political parties to a president who can deal with the problems of capitalism. Occasionally, the national heroes themselves explicitly argue the traditional elitist doctrine that the best government is one in which the rulers are autonomous from popular pressures, and are thus free to pursue the national interest instead of selfish group interests or the petty whims of politicians. At the same time, conservative writers sound the same theme, claiming that the ills of the society result from excessive popular demands on the government. In the United States, this view, once argued by Schumpeter (1950), is again being emphasized in the report of the Trilateral Commission (1975) and in the journal The Public Interest (1975).

All three limited wars intensified the already present tendencies toward political stalemates. De Gaulle, Eisenhower, and Nixon made political stalemate a theme in their campaigns, promising leadership above politics.

The Algerian War turned the stalemate of the Fourth French Republic into a complete paralysis. The socialists, the radicals, and the MRP, the moderate parties which had formed coalition governments during the Fourth Republic, were unable to make any moves toward solving the pressing Algerian problem. The army and the French settlers' political groups in Algeria would simply refuse to obey any measures leading to an independent Algeria. In the Algerian War, popular perceptions of stalemate stemmed not only from domestic French politics but also from the long, indecisive nature of the conflict.

De Gaulle was chosen president during the Algerian crisis because he seemed to offer an alternative to the political stalemate of the Fourth Republic. De Gaulle was a national hero, symbolic to many Frenchof the resistance to Germany during

World War II. Voters hoped his widespread popularity would produce effective action. One of de Gaulle's favorite campaign tactics was to place two alternatives before the voters--either a continuation of his rule or total chaos, which no other individual or party could handle.

In the U.S. the underlying tendency toward political stalemate has been the breakup of the New Deal Coalition. According to Burnham (1970) and Lubell (1956), political stability in America depends upon a coalition, which is first formed in a "critical" or "realigning" election such as the election of 1932. The development of late capitalism has produced inflation and the fiscal crisis, which has weakened the New Deal Coalition. Limits to deficit spending and the expansion of state budgets meant that government benefits to any group in the coalition could only be made at the expense of other groups. For example, welfare programs could only be supported through taxation of the middle strata--the prosperous ethnic groups, the suburbanized working class, and white collar workers. These groups, once solidly affiliated with the Democrats, and still remembering the welcome relief that the New Deal provided in the thirties, now also had an interest in the anti-New Deal coalition, which promised to ease high taxes and inflation by reducing social spending. As a result, the middle strata erratically shifted their support between Democrats and Republicans. These shifts, combined with defections in the South and the Midwest, weakened the New Deal Coalition and produced a stalemate. The Presidency passed back and forth between the parties; often, opposing parties controlled the White House and Congress.[10]

The Korean War intensified and made more serious the deadlock between the two political parties. Each political party vetoed the alternative of the other party. The Democratic Party solution was to continue the ground war and negotiate a settlement. Republicans remembered the political points they had scored by criticizing the Yalta negotiations and the World War I peace settlement, and denounced the administration for making excessive concessions to the treacherous communist negotiators. According to the Republicans, the Democrats had not only failed to win a war; they were losing the peace as well. If Truman settled the Korean War on the same terms that Eisenhower eventually settled for, Republicans would have denounced it as treason. (Ellsberg, 1972; Waltz, 1967).

The alternative of the right-wing Republicans was General MacArthur's plan for a total military victory in Korea, by striking China with an invasion of Chiang Kai-shek's army, a naval blockade, and U.S. air power, including nuclear weapons. Although Truman administration spokesmen discredited most of Mac Arthur's proposals during the Congressional hearings of spring and summer, 1951, the intense partisan debate continued. Senator Jenner exclained, "this Government of ours [has been turned] into a military dictatorship, run by Communist-appeasing, Communist-protecting betrayer of America, Secretary of State Dean Acheson."[11] Extremist rhetoric led a horrified group of intellectuals to sound dire warnings about the danger of the "radical right" in America (Bell, 1964).

Through his nonpartisan appeal, Eisenhower seemed to offer voters a relief from

the partisan stalemate. Like de Gaulle, Eisenhower was a World War II hero standing above politics; some prominent Democrats sought to have Eisenhower as their party's nominee for president.[12]

In the 1972 campaign, Nixon also stressed that he was president of all the people, and was above politics. He gave the impression that he considered political campaigning to be a distraction from the affairs of state. Nixon's attempt at leadership above politics resulted from the need to reduce social spending. Nixon's budget-cuts during his first administration generated opposition from the Democratic Party, government bureaucracies, and special interest lobbies. Nixon had won the Republican nomination in 1968 by gaining delegates through patiently conciliating and bargaining with special interests. In 1972, however, in order to reduce domestic spending, Nixon needed a base of support that would not require pluralistic concessions. Nixon's re-election campaign was run outside the normal channels of the Republican Party. Nixon sought a sweeping electoral victory from a constituency, the silent majority, which would not make many political demands on his administration.

Nixon's actions, intended to overcome a political stalemate, actually increased it. The Watergate scandal and other relevations increased distrust of government and politicians, and weakened political parties, thus making them even less able to organize assent for policies needed by capitalism. Earlier in the seventies, voter distrust seemed to be a left wing issue. Many of the injustices about domestic intelligence were first exposed by the radical left; the hostility against Nixon's law and order advisors, and the stress of civil liberties in the Watergate investigation seemed to point to an increased influence of the left. However, distrust of government is also feeding the conservative sentiment for budget cuts in social services as well as the leftist critique of American foreign policy and the military.

National Power

All political ideologies have called for national power, but to different degrees. The most vehement proponents were once conservatives; the lead shifted to the corporate liberals by World War I but now is reverting back to the conservatives. Around the turn of the century, conservatives were the leading advocates of overseas economic expansion and military power (Williams, 1962, 1969). Free market ideology led conservatives to call for enlarging that market throughout the world; military spending was small enough so that a hefty increase would not offend laissez-faire sensibilities. But as gunboat diplomacy against minor powers was replaced by total warfare among all the industrially advanced powers, the laissez-faire conservatives in the U.S. became less enthusiastic about high military spending and government control over the economy that imperialism required. Industrial capitalists, who had generally supported the Spanish American War and Open Door diplomacy, were reluctant to rally behind the preparedness campaign before World War II, because of their investments in Germany and their dislike of state regulation, especially since it was led by President Roosevelt (Kolko, 1962; Bernstein, 1966). Before the Korean War, mainstream business sentiment called for reductions

in the Marshall Plan and strict limits to the rise in military spending (Lo, 1975b). In the United States, the primary support for the overseas expansion of U.S. economic and military power came from the corporate liberals. Roosevelt, Truman, Kennedy and Johnson pushed for corporate liberal reform at home and forged a centralized state to further U.S. interests abroad.

Beginning with the Nixon Administration, however, conservatives began to abandon their hardened stand against all state intervention and supported an active state in foreign affairs. This change in conservative ideology resulted from the underlying shifts in great power alignments, which were further disrupted by limited wars.

During the Korean War, the change in the world balance of power stemmed from the rising strength of the Soviet Union, China, and the left. Western Europe, the major barrier to Soviet influence before World War II, had been destroyed by the war. In addition, United States power had been undermined by the rise of communist governments in China, North Korea, and Eastern Europe, which made neutralism a more attractive alternative to a military and economic alliance with the United States. Although the Truman Administration spent huge amounts for a military buildup and foreign aid, still, communist governments came to power.

The Korean War not only became the symbol of foreign policy frustrations; it also contributed to the weakening of U.S. power. Western Europe and the non-aligned nations of Asia were critical of U.S. policy in Korea because of the excessive drain on resources and the U.S. neglect of other problems; U.S. allies feared irresponsible military actions. Hence, each year of the Korean War brought further tensions in the system of U.S. centered alliances.

The conservatives Eisenhower and Dulles responded to the challenges to the U.S. position by promising to reassert American power through a new policy of "liberating" communist dominated Eastern Europe and China. The Truman Administration's policy of containment, or restricting further Soviet gains, they claimed was "defeatist" and "negative." However, the policies of the Eisenhower Administration were more negative and defensive than Truman's, mainly because of Eisenhower's other campaign promise in 1952--to reduce government spending. Eisenhower reduced national defense spending from $47.7 billion in fiscal 1953 to $38.4 billion in fiscal 1956 (Department of Defense, 1972: 192).

As the communist challenge to U.S. power persisted, conservatives continued to call for increased national power, but unlike Eisenhower, made tenative moves toward supporting higher military spending. In 1968 Nixon continued the political rhetoric about increasing national power, criticized the Democrats for squandering the American advantages in the Vietnam War, and claimed that the seizure of the Pueblo by a "third rate military power" showed that U.S. power needed to be restored by the Republicans. In the 1972 campaign, Nixon appeared to increase U.S. power by creating the symbolic issue of safely returning the prisoners held by North Vietnam, and then securing their release through bombing North Vietnam. In the 1972 elections, Nixon defended high military spending from the attacks of George Mc Govern. The

policies of President Ford complete the transition of conservatism into a position that supports high military spending and remains opposed to state intervention to regulate business, clean the environment, or increase social welfare. Ford proposed a $101 billion military budget for fiscal 1977 and planned to increase real expenditures by 4% a year, reaching a level of $141 billion in fiscal 1981.[13]

Defending high military spending is easier for conservatives now that it involves not the ambitious expansion of U.S. commitments, but rather a maintenance of international privileges (such as low raw material prices and the use of the dollar as the standard reserve currency) which have already proven to be a boom for capital. Defending high defense spending also fits into the conservative principle of resisting popular demands, since the left of the Democratic Party, and a plurality of the nation supports lower military budgets. According to the Gallup Poll, the percentage of people thinking that the U.S. was spending too much for defense varied from 49%, (31% favoring the same level, March 1971), slipped to 37% (40% favoring the same, August, 1972), and rose to 46% (30% favoring the same, September, 1973).

Thus, conservatives reacted to the communist challenge by making inflated patriotic demands to increase national power, and in addition, began to support the substance of national power--high military spending. Another major change in the world balance of power was the decline of the economic power of the United States compared to Western Europe, exemplified by the decreasing competitiveness of U.S. industries and an increase in the U.S. balance of payments deficit. Later, we will discuss the U.S. response to this shift. Although American conservative politicians did not try to make this decline into a campaign theme, de Gaulle made it a winning political issue in France.

The same factors which necessitated a reassertion of U.S. power--a deadlock between the Soviet Union and the United States and the U.S. balance of payments deficit--gave France an opportunity to better her international standing. The nuclear balance of terror between the U.S. and the U.S.S.R. and the stabilization of relations between East and West Europe meant that France could rely less on the United States for her military defense and could instead play an independent role in world affairs.

The increasing U.S. balance of payments deficit gave France the opportunity to press for changes in the international monetary system which would strengthen France and attack the privileged position of the U.S. Most countries had to devalue their currency and induce recession if they ran a balance of payment deficit. However, the U.S. deficit was tolerated because it supplied a flow of dollars abroad, needed for international exchanges and reserves. De Gaulle criticized the U.S. deficit, not only because the exemption from induced recession gave the U.S. an unfair advantage, but also because it caused inflation in Europe. France in the 1960's sought to force the U.S. to end its deficit and to change the international reserve currency from the dollar to either gold or a Composite Reserve Unit which would be based in gold.[14]

The war in Algeria gave de Gaulle added reason to raise the issue of national power. The Algerian War was the last in a series of long and violent struggles for independence by France's colonies in Asia and Africa. Since France had to play a less active role in the third world, the French military needed a new task in Europe; otherwise, discontent in the Army would continue to lead to army interference in French domestic politics.[15]

De Gaulle made the restoration of French power a major theme in his political campaigns. He enhanced his popularity through his resistance of American hegemony in NATO and in the international monetary system, his veto of the English application to the Common Market, his boycott of Common Market political activities in 1965-66, and other actions taken in the spirit of grandeur and independence. But in addition to inflated rhetoric and symbolic political stands, de Gaulle embarked on a major buildup of the French military. At first attempting to increase French power in the structure of NATO, de Gaulle then withdrew from the organization when it became clear that his proposals would be blocked by the United States. De Gaulle announced an ambitious plan for making France an independent military power, which called first for the development of atomic weapons and strategic bombers, and then the hydrogen bomb and missles.[16]

Thus, amid the common conservative cry of increasing national power, Nixon, Ford, and de Gaulle have been abandoning the laissez-faire conservative suspicion about high military spending. National power stems not only from a military might and diplomatic tenacity, but also from economic strength--rapid technological advance, high productivity of industry, price stability, and balance of payment surpluses. The dedicated pursuit of the conservative goals of increasing national economic power has led some conservatives to a drastic abandonment of laissez-faire in favor of centralized executive power--the forte of yesterday's corporate liberals.

Executive Conservatism

In late capitalism, conservatives have been usually favored a very weak form of centralization--effective administration within a government bureau. For example, the Hoover Commission Report and other conservative proposals to reform the U.S. military establishment stressed using standard business practices, increasing financial accountability to a central authority, coordinating procurement, eliminating duplication, and lowering administrative overhead. Conservatives favor these proposals as a means of reducing government spending (Hammond, 1961: 242, 312). This weak form of centralization differs greatly from executive conservatism, which seeks to impose a centrally planned, comprehensive policy on a number of different government jurisdictions including executive bureaus and the legislature.

De Gaulle and Nixon, unlike Eisenhower, were executive conservatives. The Constitution of the Fifth Republic, largely of Gaullist inspiration, increased the powers of the President and the Prime Minister, particularly over the state budget. Nixon also increased presidential power, through the erosion of the war-making and budget-making powers of Congress, through the creation of the Domestic Council to parallel the National Security Council, and by using hatchet men and personal ad-

visors to control federal agencies (San Francisco Kapitalistate Group, 1975). Eisenhower, on the other hand, was not particularly interested in centralizing power. The differences in centralizing can be traced to variations in two factors which produced conservative politics--budget cuts and national power.

We first consider how differences in the need to restore national power can explain differences in the Eisenhower and Nixon Administrations. By the time of the Vietnam War, the U.S. position in the world had greatly deteriorated from the Korean War period; a whole series of measures were needed to restore hegemony, which necessitated executive centralization in the Nixon Administration.

During the Korean War, the economic position of the U.S. was quite favorable compared to its competitors, communist or capitalist. Eisenhower merely had a negative task--ending the Korean War and high military budgets, which, if continued, threatened to produce many of the same economic dislocations of the Vietnam War. Between fiscal years 1950 and 1953, the U.S. spent around fifteen percent of gross national product on the military, which included not only the costs of the Korean War but also a world-wide rearmament program. But, beginning in 1952, policy makers saw that many of the goals of the rearmament program could be postponed without adversely affecting the world balance of power. And, once a certain level of military strength had been achieved, it took less resources to maintain and modernize the forces. Eisenhower's task was relatively uncomplicated; it was merely to cut back military spending, thus allowing the consumer goods boom to continue.[17] Since the cut was accomplished through existing presidential powers, no executive centralization was needed.

After Korea, the international economic position of the United States steadily deteriorated. Although reducing the U.S. effort in Vietnam helped to lessen the deficit, further measures were needed to restore United States hegemony. The Nixon Administration devalued the dollar, temporarily taxed imports, instituted wage and price controls, subsidized investments, launched a campaign to increase exports, and sought to increase East-West trade. Politically, the defeat of the United States in Southeast Asia led to the policy of trying to maintain U.S. power in the third world by using U.S. food supplies as a bargaining weapon and allowing relatively stable, developed, and pro-American regimes such as Brazil and Taiwan to play a more active military and economic role in the third world. Thus, the task of restoring U.S. hegemony in the post-Vietnam period required a planned series of economic policies, delicate negotiations with the Soviet Union, China, and the other Western powers, and quick reactions to meet international crises. The accomplishment and coordination of these policies required the growth of executive power. In addition, many of the policies needed to restore hegemony involved increasing costs to workers and consumers. Reducing the cost of U.S. exports involved wage restraints; exports of grains to reduce the U.S. balance of payment deficit increased food prices. The accomplishment of these policies required a strengthening of executive power to prevent interference from domestic political pressures.

In the de Gaulle regime, increasing national power, specifically, raising the

military budget at the expense of consumption and social services, led to the growth of executive power. Meanwhile, higher demands for social services, particularly education and social security, actually produced a decline in the percentage of the state budget devoted to military spending in the Fourth Republic.[18]

De Gaulle used the Fifth Republic's new budget-making powers to resist increased social spending and to insure that the resources would be optimally used within the military. The Constitution of the Fifth Republic reduced the power of the Parliament over budgets. Amendments to the budget could only be made by the Finance Committee rather than from the floor of the Parliament. The finance minister could refuse to allow votes on separate clauses of the budget bill; Parliament was given at a time deadline to decide on the budget. A five-year plan for military spending reduced the ability of Parliament to interfere with the expenditures for any specific year.[19]

The final reason for the development of executive power in the aftermath of the Vietnamese and Algerian Wars, but not the Korean War, is the seriousness of the threats to the political order. Extremist political groups during the Vietnamese and Algerian Wars challenged basic premises of foreign and domestic policy and rejected established channels of influence in favor of violent or otherwise illegal means of protest. Government repression necessitated the growth of centralized executive power.

During the Vietnamese War, fairly large sectors of the anti-war movement and the black movement were willing to resort to non-established channels of protest such as mass demonstrations, and illegal actions such as sit-ins. A small but prominent tendency in the movement disobeyed draft laws, resorted to violence, and questioned the basic premises of U.S. foreign policy--anti-communism, and dependent relations between third world nations and the United States. The Algerian War produced threats from both the extreme right and the extreme left. The extreme right, favoring a continuation of a French Algeria, refused to cooperate with plans for independence, instigated several insurrections of the army in Algeria which threatened to spread to France, eventually resorted to a campaign of bombings and assassinations. The communist party and other left groups critiqued France's colonial policy and sponsored many demonstrations. A group of prominent communist-leaning intellectuals signed the "Manifesto of the 121" encouraging soldiers to refuse to serve in Algeria.

The challenge from the extreme left and the extreme right was met by executive power, applied directly to the dissidents and more generally to a new foreign policy. De Gaulle sought out and jailed dissenters from both extremes; he used executive power to reorganize the army, giving honorific but powerless positions to his political enemies.

> There were also discrete but comprehensive purgings and postings in the armed forces--so comprehensive, indeed, that it was said that to know what was going on, one ought to follow the postings of generals rather than the maneuvers of the parliamentary groups.

.... "They no longer say 'so and so is going to abstain,'" but 'Trinquier has been sent south.'"[20]

Many American social scientists have claimed that Mc Carthyism and other right-wing tendencies during the Korean War were extremist movements, challenging the basic policies of the Eastern elites and relying on new patterns of mobilization and new channels of influence. Although the rhetoric of the right wing was extreme, the right posed a far lesser threat to the political order than either left or right in Vietnam or Algeria. MacArthur did disobey commands from Washington. However, the problem of civilian control of the army was never as severe as in the Algerian War, and ceased to be a serious problem after MacArthur was replaced.

Practically all of the right-wing discontent about the Korean War and Truman's economic policies was channeled through existing legal forms of political action--lobbying of interest groups, the 1952 campaign of Taft and Eisenhower for the Presidency, and Congressional actions to halt further tax increases and investigate the dismissal of General MacArthur. In fact, as Michael Rogin (1967) points out, the strength of the right did not derive from its ability to form new channels of protest but rather from its connections to established centers of power. The left, silenced by McCarthyism, was unable to critique U.S. policy; the right, while opposing Truman's specific policies, still agreed with the necessity of military confrontation of the U.S.S.R., China, and the left.

Thus, the need to reassert national power, austerity, and threats from the extreme right and the extreme left, produce executive centralization. But the need for budget cuts that makes executive power necessary tends to limit it at the same time. Limits on government spending prevent concessions to interest groups and bureaucracies which are necessary compensations for the loss of their power to the president. Centralization of executive power has usually been accompanied by an increase in government spending. In the United States, higher spending and presidential power characterized the New Deal, World Wars I and II, and the Truman and Kennedy-Johnson Administrations. During the Vietnam War, presidential control over bombing targets and the general conduct of war could only be obtained if the military services were promised expanding budgets in return (Schurmann, 1974: 180-1).

There are few examples of executive centralization in a period of budgetary restraint rather than budget expansion, the usual case. After World War II, plans for the unification of the United States Army, Navy, and Air Force under a single Department of Defense were justified to the public as a means of reducing duplication and hence lowering military spending. But intense bureaucratic conflict between the services over budget shares and strategic programs limited their willingness to cooperate in unification schemes. Nixon also attempted to increase executive power over domestic policy while at the same time restraining the increase of government social spending. The opposition to both these policies, particularly among liberal Democrats, found an outlet during the Watergate scandal.

Conclusion: The Fascist and Social Democratic Alternatives

We have seen how conservatives attempt to formulate plausible programs to deal with the three major problems of late capitalism. Seeking popular acclaim without conceding to public demands, conservatives reiterate some of their traditional solutions--cutting social spending and providing leadership above politics. But the problem of dealing with inter-imperialist rivalries has led conservatives to abandon strict laissez-faire and call for higher military spending and executive centralization to increase national power.

Although conservatives have gained popular favor by identifying and seeking to remedy the problems of late capitalism, the conservative program is nothing more than a short term remedy to the fiscal crisis, political stalemate, and inter-imperialist rivalry. Budget cuts are at best a temporary solution to fiscal crisis, since there are limits to how much the budget can be cut. As O'Connor (1973a) points out, much government spending is essential for the expansion of capitalism. The state budget subsidizes the cost of capital and the consumption of the working class, thus lowering costs for business. "Social expenses" are necessary to contain dissent. In addition, specific capitalist interests oppose budget cuts in expenditures that benefit themselves.

The conservative call for leadership above politics is also a fictitious solution. As the case of Richard Nixon shows, the campaign rhetoric of the national interest often hides corruption, the use of the state for partisan advantage, and deals with special interest groups. Leadership above politics assumes that there is a consensus for a national goal. We have seen however, that the conservatives do not represent the interest of society but support the interest of capitalism (Kolko, 1968: 64-98; San Francisco Kapitalistate Group, 1974).

The conservative rhetoric about national power is the most specious of all. The Gaullist and Eisenhower-Dulles promises to increases national power were wildly exaggerated. Eisenhower and Dulles pledged to increase national power not through material means but by acting "tougher" with the communists.[21] But actually, the declining position of the U.S. resulted not from the softness of the previous administration but from long term changes. Standing up to the communists cannot increase national power. Only increases in military spending, improving productivity, and controlling inflation might have a real impact, but an uncertain impact at best, depending on the reactions of other states. But each of these actions requires sacrifices by the working class: high taxes, cuts in the non-military budget, lower wages. The conservative alternative would have a much lower popularity among the working class if it were made clear who would pay for the conservative's chauvanism.

Although conservatism has developed short term responses to crises, it has never found a method of establishing a more permanent social order in times of crisis. Conservatism claims that order results from the natural processes of society--the hierarchial communities of aristocratic conservatism, and the self-regulating market of laissez-faire conservatism. Conservatism works best in a period of social stability, when the social order needs not reconstruction, but only praise.

However conservatism is most needed in a period of popular challenge against the state. But its program for social stability--community and market--is bankrupt because both have been undermined by the capitalist development that conservatism supports as well. Conservatism's only program for order is the resistance to popular demands, which has incited revolution as often as it has created submission (Kissinger, 1954).

Political ideologies other than conservatism have also attempted to develop programs relevant to the problems of late capitalism. The same factors which produce conservatism--austerity, stalemate, and national power--when intensified, can also produce fascism. Restoring Germany to a position of world power after the defeat of World War I was a major theme in Nazi propaganda. Karl Polanyi (1957) traces the rise of fascism to the political stalemate between labor and capital, and to the restrictions on popular opposition that accompanied austerity programs to defend the gold standard in the 1920's.

Fascism, however, differs from conservatism because it is the active mobilization for the creation of a new order, whereas conservatism is the passive support for the maintenance of the existing order. Thus, while fascism required a high level of popular commitment to new policies, the politicization behind Eisenhower, Nixon, and de Gaulle was obviously less intense. Nixon's political base was an otherwise inactive constituency--the silent majority. Those who voted for Eisenhower were in no mood for a new order--the 1950's were to be an era of normalacy and consumption.

Another alternative to conservatism is social-democracy, which is based in the working class and seeks the improvement of popular conditions in a way compatible with the continuation of capitalism. The non-communist leadership of the U.S. and European labor movements and the U.S. civil rights movement were social democratic. One possible response of social democracy to the crisis of limited war is a mimicry of the conservative stands of budget cuts, leadership above politics, and national power. Examples abound of social democrats following the lead of the conservatives in the name of the national interest. The social democratic parties of Europe supported budget cuts and austerity to defend the gold standard and voted war credits on the eve of World War I. Presently, the English Labour Party is trimming the welfare state that it struggled for decades to create (Guttman, 1976); the stands of other social-democratic political parties throughout the world become less distinguishable from the conservatives. Just as Democrats and Republicans in the 1950's competed over which party was more anti-communist, politicians today compete over who can more effectively lower social spending. In this competition over means, social democrats have an advantage because they are more likely than conservatives to obtain the support of the labor movement and other popular groups. However, since social democrats are more subject to popular pressures, they will be less able to make the large cuts that capitalism might require in the future.

The second major reaction of social democrats is to continue to call for the time honored program of expanding government social spending and job creation. This strategy, however, commits a major sin of omission. By failing to advocate

adequate government controls over business such as effective price controls, allocation of investment, and regulation of multinational corporations, the strategy causes some sections of the working class to pay for the benefits of other sections (Andersen, 1976). In the current economic crisis, social welfare without government controls merely produces inflation, slow investment, and high taxes for the working class. Conservatives will continue to stress these problems and will blame them on the social-democrats' policies, resulting in less popular support for the original goals of social spending and full employment.

Thus, the first alternative is to abandon social-democratic goals; the second rests on the false belief that the goals can be achieved without controlling corporate power. The third alternative is to recognize that in a period of capitalist crisis and decline, popular demands and capitalism are becoming increasingly incompatible, and that the fulfillment of popular demands requires the abandonment of capitalism.

FOOTNOTES:

1. The American forerunner of executive conservatism is Alexander Hamilton. Cf. the arguments of Wolin, 1976, who considers the Hamiltonian notion of a strong state to be integral to the conservative tradition. Our treatment of Hamiltonian conservatism follows Rossiter, 1962: 108-10.

2. Polanyi, 1957, reminds us that the conservatives rightly saw that it was a uptopian experiment to trust self regulating markets to produce social order. For a similar argument that capitalists are unable to provide social, political, and ideological order see Schumpeter, 1950: 121-163.

3. According to the typology developed here, Kolko's The Triumph of Conservatism actually describes the triumph of corporate liberalism.

4. We differ from O'Connor's (1973a) view that the "social industrial complex", an ambitious program of government spending to employ the surplus population and make monopoly capital more productive, is a viable solution to the fiscal crisis of the state. O'Connor and Offe point out that it is difficult to organize state activity to make capital more productive, because there are no clear criteria in the state sector which would be equivalent to the profitability criteria in the private sector. Thus, it is likely that the expansion of social spending would be a further drain on revenues instead of increasing them in the long run.

5. U.S. News and World Report, January 4, 1952, pp. 52-53, April 25, 1952, p. 77.

6. For a concerned corporate liberal response, see Committee for Economic Development, 1952. The actual deficit was $6.5 billion.

7. During Nixon's presidency, between fiscal years 1968 and 1974, non-military spending as a percent of GNP rose slower than during the Johnson administra-

tion (fiscal 1965-1968). Statistical Abstract of the U.S., 1975, p. 225. Military spending declined as a percentage of GNP in the Nixon years.

8. Patterson, 1972: 574.

9. Westerfield, 1955. See Converse, 1964 for data on popular perceptions of the differences in the two parties.

10. Lubell, 1956a, 1956b.

11. Acheson, 1969: 365.

12. During the 1952 campaign, Eisenhower criticized both the Democrats' limited war policy and the demands of right wing Republicans for escalation of the Korean War. However, once in office, Eisenhower adopted some of the policies suggested by the right wing Republicans. Eisenhower announced that the U.S. Seventh Fleet would no longer prevent Chiang kai-shek from invading mainland China. Eisenhower threatened new forms of retaliation if the peace was not satisfactorily negotiated. Caridi, 1968.

13. The New York Times, May 23, 1976, section 3, p. 1.

14. See Block, 1975 for an extended discussion of the international political issues involved in managing the U.S. deficit.

15. Furniss, 1964 and Kolodziej, 1974: 164.

16. See Kolodziej, 1972 for international economic policy and Aron, 1965 and Kolodziej, 1974: 96-112 for rearmament.

17. Flash, 1965: 90-5 and Snyder, 1962: 383-524.

18. Morse, 1973.

19. Williams and Harrison, 1971: 173-235 and Pickels, 1960: 112-144.

20. The general use of executive power to accomplish a new foreign policy helped to solve the problem of order in France. The French Communist Party approved de Gaulle's policy of detente with the Soviet Union and his opposition to European political integration, NATO, and U.S. economic hegemony. The PCF was thus unwilling to actively work to form a coalition to replace de Gaulle.

21. In the struggle against communism, Dulles and Eisenhower stressed the use of moral weapons, the most tangible of which was propaganda. In a strange twist of cold war logic, reliance on material weapons such as military spending and foreign aid was denounced as succumbing to a materialist theory of human behavior characteristic of the communists.

BIBLIOGRAPHY

Acheson, Dean.
1969 Present At the Creation: My Years in the State Department. New York: W.W. Norton.

Andersen, Gosta Esping.
1976 "Social Democratic Parties and the Welfare State." Paper presented to the American Sociological Association, New York.

Aron, Raymond.
1965 The Great Debate. trans. Ernst Pawel. Garden City: Doubleday.

Bell, Daniel, ed.
1954 The Radical Right. Garden City: Doubleday.

Bernstein, Barton.
1966 "The Automobile Industry and the Coming of the Second World War." Southwestern Social Science Quarterly. vol. 47. 24-33.

1969 "The New Deal: The Conservative Achievements of Liberal Reform". In Bernstein, Barton J., ed., Toward A New Past: Dissenting Essays in American History. New York: Vintage Books.

Block, Fred L.
1975 The Political Economy of the United States. Ph.D. dissertation, Department of Sociology, University of California, Berkeley.

Boddy, Raford, and James Crotty
1974 "Class Conflict, Keynesian Policy, and the Business Cycle." Monthly Review, vol. 26 (October, 1974).

Boyd, Richard W.
1971 "Popular Control of Public Policy: A Normal Vote Analysis of the 1968 Election." American Political Science Review, 429-51.

Burnham, Walter Dean
1970 Critical Elections. New York: W. W. Norton.

Caridi, Ronald J.
1968 The Korean War and American Politics: The Republican Party As a Case Study. Philadelphia: University of Pennsylvania Press.

Converse, Philip E.
1934 "The Nature of Belief Systems in Mass Publics." in David E. Apter, ed. Ideology and Discontent. New York: Free Press.

Committee for Economic Development
1952 "Tax and Expenditure Policy for 1952." New York: The Committee.

Cypher, James
1975 "Capitalist Planning and Military Expenditure." Review of Radical Political Economics, vol. 6 (Summer, 1974)

Department of Defense
1972 The Economics of Military Spending: A Look at the Realities. Washington: Government Printing Office.

Ellsberg, Daniel
1972 Papers on the War. New York: Simon and Schuster.

Flash, Edward S., Jr.
1965 Economic Advice and Presidential Leadership: The Council of Economic Advisors. New York: Columbia University Press.

Furniss, Edgar S., Jr.
1964 de Gaulle and the French Army. New York: Twentieth Century Fund.

Guttman, Robbie.
1976 "State Interventionism and the Economic Crisis: The Labour Government's Economic Policy, 1974-5. Kapitalistate, number 4-5 (Summer, 1976).

Hammond, Paul Y.
1961 Organizing for Defense, Princeton: Princeton University Press.

Hoffman, Stanley.
1965 "Paradoxes of the French Political Community." in Stanley Hoffman, ed., In Search of France. New York: Harper and Row.

Kolodziej, Edward A.
1972 "French Monetary Policy in the Sixties: Background Notes to the Current Monetary Crisis." World Affairs, vol. 135 (Summer, 1972). 5-39.

1974 French International Policy Under de Gaulle and Pompidou: The Politics of Grandeur. Ithica: Cornell University Press.

Kolko, Gabriel
1962 "American Business and Germany, 1930-1941." Western Political Quarterly, vol. 15 (December, 1962). 713-28.

1967 The Triumph of Conservatism. Chicago: Quadrangle.

1968 The Politics of War. New York: Random House.

Lo, Clarence Y.H.
1975a "The Conflicting Functions of Military Spending After World War II." Kapitalistate, number 3 (Spring, 1975). 26-44.

1975b "Military Spending as Crisis Management: The U.S. Response to the Berlin Blocade and the Korean War." Berkeley Journal of Sociology, vol. 20 (1975-1976). 147-181.

1976 "The Home Front Quagmire: The Organization of Dissent and Economic Policy During the Korean War." Paper presented to the meetings of the Society for the Study of Social Problems, New York.

Lubell, Samuel.
1956a The Future of American Politics. Garden City: Doubleday.

1956b The Revolt of the Moderates. New York: Harper and Brothers.

Marx, Karl.
(1896) The Eighteenth Brumaire of Louis Bonaparte. New York: International
1963 Publishers.

Morse, Edward L.
1973 Foreign Policy and Interdependence in Gaullist France. Princeton: Princeton University Press.

Nisbet, Robert
1976 The Twilight of Authority. Oxford: Oxford University Press.

O'Connor, James
1973a The Fiscal Crisis of the State. New York: St. Martin's Press.

1973b "Nixon's Other Watergate: The Federal Budget for Fiscal 1974." Kapitalistate, no. 2, 5-12.

Oglesby, Carl.
1972 "Notes on the Nixon Crisis." Rampart (November, 1972)

Patterson, James T.
1972 Mr. Republican: A Biography of Robert A. Taft. Boston: Houghton Mifflin.

Pickles, Dorothy.
1960 The Fifth French Republic. New York: Praeger.

Polanyi, Karl.
1957 The Great Transformation. Boston: Beacon Press.

The Public Interest
1975 Special Issue on the American Commonwealth (Fall, 1975).

Reich, Michael and David Finkelhor
1970 "Capitalism and the 'Military Industrial Complex:' The Obstacles to 'Conversion.'" Review of Radical Political Economics, vol. 2, (Winter, 1970).

Rossiter, Clinton
1962 Conservatism in America. New York: Vintage Books.

Sale, Kirkpatrick
1973 "The World Behind Watergate." The New York Review of Books, vol. 20 (May 3, 1973).

1975 Power Shift. New York: Random House.

Schumpeter, Joseph A.
1950 Capitalism, Socialism, and Democracy. New York: Harper and Row.

Snyder, Glenn H.
1962 "The 'New Look' of 1953." in Strategy, Politics and Defense Budgets. New York: Columbia University Press.

Trilateral Commission
1975 The Governability of Democracies. New York: The Commission.

Waltz, Kenneth.
1967 "Electoral Punishment and Foreign Policy." in James N. Rosenau, ed., Domestic Sources of Foreign Policy. New York: Free Press.

Westerfield, H. Bradford.
1955 Foreign Policy and Party Politics: From Pearl Harbor to Korea. New Haven: Yale University Press.

Weinstein, James.
1968 The Corporate Ideal in the Liberal State. Boston: Beacon Press.

Williams, Philip M. and Martin Harrison
1960 De Gaulle's Republic. London: Longmans, Green, and Company.

1971 Politics and Society in de Gaulle's Republic. London: Longman Group, Limited.

Williams, William Appleman
1962 The Tragedy of American Diplomacy. New York: Dell Publishing.

1969 The Roots of the Modern American Empire. New York: Vintage.

Wolfe, Alan
1977 The Limits of Legitimacy: The Political Contradictions of Advanced Capitalism. New York: Free Press.

Wolin, Sheldon S.
1976 "The New Conservatives." The New York Review of Books, vol. 23 (February 5, 1976). 6-11.

THE WELFARE STATE WITHIN THE MILITARY

Charles Maynard and Ann Blalock

Much has been written concerning the extent to which contemporary industrialized societies meet the accepted criteria of a "welfare state".[1] By contrast, the literature on the welfare aspects of the military as an institution within societies is comparatively sparse. Yet internally, military establishments often exhibit many welfare state attributes. Within the military's organizational territory and authority, members are provided with a wide spectrum of comprehensive universal entitlements--social, economic, occupational, educational, and medical. The formal parameters of the U.S. military establishment's welfare entitlements give the undeniable appearance of a bonafide welfare state whose provision is significantly more benevolent and equitable than that provided to the nonmilitary. As with all welfare systems, however, the unique welfare state within the military has developed more in response to its own perceived organizational needs and requirements than to a rational assessment of the "real" needs of those it serves--military personnel and their families.[2]

In this sense, the military welfare state reflects the organizational imperatives, constraints, and ambiguities common to diverse forms of welfare provision, which are inevitably generated by the contradiction between the genuine social welfare needs of recipients and the survival requirements of the provider. Therefore, an analysis of military social welfare in the context of the military environment should provide insights not only into the nature of social provision in the military, but into welfare structures generally. This brief investigation may also illuminate an aspect of the welfare/warfare problem only infrequently addressed.

The military welfare state, however, is an unusual case, because of the nature of the military establishment's primary manifest function in the society, and therefore of its organizational goals. The military is mandated to provide an adequate and acceptable response to the society's definition of what constitutes major threats to its security in the external environment. Even more narrowly, its responsibility is to afford protection in an international environment which has historically been characterized by the threat of physical force, as compared with the dangers inherent in international economic and political competition.

Therefore, the goals of the military establishment are highly specialized: the development of superior defensive, offensive, and deterrent capability. In pursuing these goals, the military has been vulnerable to all the organizational requisites characteristic of social systems generally, as well as to their special elaboration in large scale bureaucratic systems. Most significant among them are the maintenance of internal order and morale, and the securing of the

organization's safety in the external environment--in this case, the civilian sector.[3] The way in which these requisites are viewed by those in authority determine the military's needs and requirements. Social welfare entitlements to individuals and families are considered part of such requirements. Factors such as the increasing demands of members' changing societal conditions, alterations in the bureaucratic structure, changing definitions of national security, and technological breakthroughs, have modified the definition of survival imperatives in the direction of expanding the military welfare state.

Our thesis is that this welfare state is not in actual practice what it purports to be. There are serious inequities and constrictions which have eroded military social provision, largely because the organizational goals which significantly shape this system are clearly servants first of warfare, and only secondarily of real welfare.

The General Dimensions of the Military Welfare State

Although most of the data on military social services are primarily descriptive of the U.S. Army, formalized social provision to all branches of the armed services has comprehensive features. Walter Friedlander's article describes the many universal entitlements which apply both during and beyond the period of service, involving literally cradle to grave benefits.[4] These are: income maintenance, job provision, housing provision, recreational benefits (both social and rehabilitative), medical-dental care (for service personnel and their families), social work services for individuals and families, psychiatric diagnosis and treatment, on-the-job training, vocational training, readjustment allowances for veterans formerly employed or self-employed, educational and training subsidies (GI Bill) and education for dependents overseas, disability benefits (economic compensation, medical care, pensions, subsistence allowances, special aid for the blind, deaf, and amputees, after-care in halfway houses, nursing homes, and outpatient clinics), business and home loans, life insurance, retirement pay, death pensions, educational benefits for veterans' survivors, and burial services for indigent veterans. These welfare benefits and services, representing an enormous national expenditure, are theoretically provided to all members of the military for whom they are relevant, within the restrictions of the hierarchical military ranking system.[5]

In this sense, the welfare state within the military establishment is an intriguing paradox. It seems more beneficent at all levels than its civilian parallel, while functioning within a caste-like stratification system which is structurally much less flexible and socially mobile than its nurturing society. It is at the same time more collectively equitable and more individually constraining. In the non-military sector, governmental responsibility has traditionally involved "residual" definitions of welfare, in contrast to the military application of "institutional" definitions. The former view suggests that "social welfare institutions should come into play only when the normal structures of supply, the family, and the market break down," whereas the latter holds that social services are "normal, first line functions of a modern industrial society."[6] Despite the

broader definition characteristic of the military, welfare is accompanied by immense physical jeopardy in wartime, and considerably more in peacetime than in most parts of civilian society. And it is an interesting case of uneven formal governmental definitions of human needs within different sectors of the society.

The formal distinction between residual and institutional definitions, however, is moot. The existence of the military welfare state is indirectly dependent on an expropriation from the civilian welfare system, in the sense that national priorities have in recent history essentially involved a transfer of scarce goods from domestic programs to defense. It is important to note that certain important categories of needs created but unmet by the military also inevitably deplete the resources of civilian social and health services.

Within this context, our purpose is to concentrate on two general categories of entitlements within the military welfare state: occupational benefits and income maintenance; and social services to individuals and families. In each case, it will be our objective to examine some of the explicit purposes and implicit effects of military social provision.

The Military Welfare State: Occupational Benefits and Income Maintenance

Government job creation and guaranteed annual income have been goals of liberal reformers in responding to the problems of stimulating the economy, reducing inflation, lowering unemployment, and dealing with poverty. However, the military is rarely thought of as an authentic government job or income maintenance system. For many, it has been the employer of last resort, but for low-income minorities it has often been viewed as the employer of maximum opportunity.[7] And for a significant number it has provided civilian jobs directly underwritten by the military budget.[8] There is no question but what the military subsidizes a substantial portion of the potentially unemployed, and provides unskilled, semi-skilled, technical, supervisory, and managerial jobs for many members of the society. Furthermore, income and fringe benefits are competitive with the demands of organized labor in the private civilian sector.[9] Job security is assured within a different set of limits from the civilian employment system, but the limits are similarly dictated by what kind of behaviors are considered destructive of the goals of the employer. The military formally offers more extensive occupational benefits than many civilian employers, in terms of job training, vocational training, special educational programs, and after-service educational and training grants for skill upgrading. Retirement benefits allow the serviceperson the possibility of civilian employment in middle age, supplemented by a guaranteed income (even though highly related in amount to the military ranking system). Early retirement, combined with reserve status, would seem to provide both more economic and occupational flexibility in one's lifetime than the civilian labor market.

The important question is whether the military is providing, in actuality, occupational and economic welfare. The following selected examples reveal

discrepancies and inequities in these entitlements within the military welfare state.

Minority and Low-income Military Personnel

In the early years of the Vietnam War, black leaders actively encouraged recruitment from the ghetto into the armed services, in the interest of increased occupational and economic mobility in the society. This was premised on findings which indicated that WWII veterans were enjoying economic superiority in civilian career competition vis-a-vis their nonveteran cohort.[10] It was also recognized that racial integration in the U.S. military had in some ways progressed further than the parallel process in civilian life, both chronologically and in degree.[11] Badillo and Curry explain this phenomenon in terms of the Armed Forces' reliance on "meritocratic" criteria in the assignment process, which reflected "the preoccupation of military elites with rational and bureaucratic efficiency."[12] However, though these criteria were equitable, many of the occupational and income outcomes for ethnic minorities within the military were not.

By the late 1960s nearly 20% of Vietnam combat units were black. More significantly, blacks and other minorities, and low income whites, were markedly over-represented in combat casualty rates.[13] Differential casualty figures were reinforced by the disproportionately high battle death rates for volunteers as compared with draftees.[14] That the major variable was socioeconomic status more than ethnic identity was supported by several studies which concluded that the assignment process was highly contingent on socioeconomic background and tended to channel individuals from lower-class backgrounds into positions more susceptible to combat casualties.[15]

However, the same factors that diminished the importance of race as a criterion for decisions about assignment, worked to increase the significance of those attributes of the socialization process which correlated (economically and educationally) with ethnic status. The military's use of essentially culturally-biased achievement variables to assess potential competency, which employed the occupational, educational, and income levels of parents as indicators, was discriminatory in outcome. Ethnic minorities and low income whites have been most likely to score low on all three. There is generally an unbalanced competition between the skilled and unskilled for noncombatant tasks, and this is exaggerated in so far as those military specialities which involve the greatest exposure to danger are also those requiring the lowest level of preservice training and ability. Through the occupational stratification of personnel, these factors have resulted in inequities in the application of the military welfare state's formalized occupational entitlements. The stratification process has tended to reward those who have been advantaged in civilian society, and has resulted in disproportionate injury and loss of life for certain groups of personnel in wartime.

Upward mobility in the civilian occupational structure by way of the military not only depends on the acquisition of increased job skills, to which combat skills

have traditionally provided little or no contribution, but also on leadership opportunities not equally available in the civilian labor market. The more desirable leadership positions have been difficult for minorities and low-income personnel to obtain. The proportion of black officers, for example, remained statically low even after civil rights gains became evident in the civilian occupational structure. As late as 1974, although 14.4% of the armed forces were blacks, only 3% of blacks were officers.[16]

Even the range of noncombat skills acquired in the armed services have had little transfer value (real marketability) in the civilian labor market, and for the previously disadvantaged this has been especially so.[17] Although successful re-entry to the civilian manpower system from the military has been complex to analyze and interpret, it is significant that in 1972 the average unemployment rate for Vietnam-era veterans was 6.7%, while the total average rate for men 16 and over was 4.9%; and still in 1974 it was 11.3% for Vietnam-era veterans and 9.1% for the total male civilian labor force. The average unemployment rate for minority and low income veterans in each case was significantly higher.[18]

The incomes of ex-military personnel reflect the same discrepancy. A study analyzing a large random sample of veterans and nonveterans found that by 1970 there was a persistent differential in earnings between Vietnam-era veterans and non-veterans, a differential which increased with the size of the income category. For example, though 26% of nonveterans were earning at least $10,000 only 14% of veterans were doing so, and while 10% of nonveterans were earning at least $13,000, only 4% of veterans were doing so. Only 6% of nonwhite veterans were earning at least $10,000 and only 1.9% were earning at least $13,000.[19] Although it is plausible that the differences in incomes reflected the differential return of veterans to the educational system--i.e. those not returning to college, graduate school, or training programs having less ability to earn--this is not an adequate explanation.

The military welfare state's theory of educational readjustment has had a strong relationship to the institutional commitment to occupational and income maintenance. The purpose of the GI Bill was explicitly to subsidize the education of the veteran to compensate him for time lost during military service. The assumption was that education was clearly related to occupational mobility and increased income. However, veterans' educational benefits for Vietnam-era veterans have till very recently been considerably less in absolute value than those for WWII veterans. Only 20% of these veterans (compared with 50% after WWII) were using the GI Bill in 1969. Thus those who needed the entitlement most--minority and low income veterans--were effectively prevented from using it. As the political struggle to increase these benefits began to have an impact, the utilization rate had increased to 46% by 1973, still with a lower rate for disadvantaged veterans. The consistent opposition of the Veterans Administration to increasing educational benefits, and providing veterans services on campuses, illustrates the subservience of the military welfare state to the organizational priorities of the larger military establishment.

A huge, heavily financed bureaucracy, whose budget is one of the largest of

any federal agency, the VA is officially committed to the delivery of the military welfare state's social benefits to a substantial segment of the ex-military population, yet its lack of responsiveness to Vietnam-era veterans--in particular minorities--indicates the relative unimportance of service delivery once personnel are no longer necessary to the functioning of the military. This disinterest of the VA in the special educational readjustment problems on campuses basically hostile to war participants, and non-nurturing toward the coping problems of minority veterans little prepared for the culture shock of movement into the higher educational system, has increased the problems of this group of GI Bill users.[20]

Therefore, although income and occupational maintenance benefits appear nominally superior to those of civilian society, and even extend beyond the time of service, for minority and low income military personnel there are obvious contradictions in their application. Certain efforts have been made to redress this inequity. Project Transition, a six-month predischarge training program initiated in 1967 to ease re-entry, though an excellent concept, failed to provide the services promised. The Department of Labor's manpower training programs, which utilized veterans' preference and minority preference guidelines, tended to involve veterans in dead-end low-skilled jobs. State employment systems yielded little help for the sizeable number of combat veterans with few technical skills, those who had been in a holding operation in low-skilled military jobs, and for disabled veterans. The National Alliance of Businessmen's job program, specifically for veterans, provided longer-term jobs with greater opportunities for upgrading, but placed only a small proportion of those veterans unemployed.[21]

The major difficulty could not easily be resolved: the specialized occupational needs of the military are responsive first to running an effective war machine, not to enhancing industrial growth or achieving full employment in the civilian sector. Though supporting defense-related industrial growth is of vital concern to the military, and a significant portion of the gross national product is consumed by the military establishment, industrialization concerns and labor market conditions are not considered within the military's area of responsibility. Consequently, easing the transfer of ex-military personnel to civilian industry, or increasing the utility of their skills to civilian industry and business is not an instrumental goal.

Military Retirees and Civilian Occupational Re-entry

Though a universal entitlement, the opportunity for occupational retirement considerably earlier than in civilian life is in actuality a meaningless benefit for non-career personnel, a sizeable group in wartime. For career military, however, it theoretically allows a shift to the civilian labor market cushioned by the military retirement pay subsidy. As "real" welfare, it is a mixed blessing. Even when the individual's military-acquired skills are considered useful by businesses and industries, these personnel have been in strong competition with better established, more organizationally senior, and more union-integrated rivals for scarce jobs. Bureaucratic management styles and procedures differ, and new

behavioral expectations are hard to identify and learn. Dumas emphasizes the difficulties in the conversion of technical scientific and engineering skills for peacetime industrial use.[22] In addition, the very protectiveness of the military welfare state has increased the vulnerability of retirees to culture shock in re-entry to civilian life.

Also, military retirement typically occurs at a stage of the family life cycle which demands complex adjustments for multiple family members. No adequate preparation is provided systematically within the military for confronting the new re-socialization process which is required by this group. The lack of response by the military to what becomes of personnel after retirement is somewhat similar to the civilian sector, but the latter occurs to the retiree at a much later chronological age and stage of the family life cycle, and therefore is within a very different cultural context.

Many retirees--both officers and enlisted men--have experienced periods of unemployment and have often needed to take jobs which were not equivalent to the skill level and prestige of their former military positions. Many have returned to academic programs for retraining in fields in which they may not have extensive prior knowledge or experience, and in which they are in competition with much younger students with more current backgrounds. These transition experiences have been genuine life crises for many ex-military personnel and their families.

The paternalism inherent in the military welfare system is evident in the sense of isolation from the rest of the society felt by many of these newly-returned retirees. The residues of public anti-military attitudes complicate this sense of separation. As a group, these personnel and their families have unmet needs which eventually involve the use of civilian welfare resources and which constitute a hidden defense-related cost which effectively reduces the national social services allocation to other groups of recipients.

On the other hand, for those retirees at the top of the military hierarchy, the retirement subsidy represents a sizeable income. Moreover, the prestige of their former positions has tended to be retained in civilian life. Since contacts made while in the military, with government and corporation bureaucracies, have been substantial--and since their specializations have been more translatable and more in demand--these personnel have not only enjoyed disproportionate benefits within the military welfare state, but have in many instances displaced civilian personnel from important positions.

Women in the Military, and Occupational Entitlements

Women have constituted less than the 2% quota for female military personnel since it was authorized at the close of World War II, and have always been a volunteer army. However, it should be mentioned that women have to a significant extent made the mounting of modern mass-mobilization wars possible through occupying the work force positions of men absorbed into the military, positions which were

critical to the production of weapons and war supplies and to domestic survival.

By 1975, with the gradual shift to an explicitly all-volunteer force, women constituted 4.5% of all military personnel on active duty, including academic cadets.[23] Historically, women in the military have been excluded from direct combat roles and significant administrative jobs, and have typically been relegated to nursing, and routine supervisory and clerical jobs. They have experienced much stronger occupational segregation than in the civilian labor market. As Goldman comments, "the military is the epitome of a male-dominated establishment."[24] Charles Moskos terms it "a vestige of male sanctity."[25]

Nevertheless, the military made strong promises to upgrade and increase female career options in the 70s--that is, to improve the occupational benefits of the military welfare state where women were concerned. This represented more than an appreciation of the changing role of women in civilian society. It reflected, Goldman says, a new perception of women personnel as a necessary technical labor resource.[26] It also, she contends, symbolized an appreciation of the necessity of broadening sex roles because of the increased emphasis on administration, logistics, communication, and deterrence. Organizational, professional, and recruitment changes were <u>needed</u> by the military.

But there has been little real movement on the part of the military to systematically incorporate women into military operations and other key military assignments. The military still does not perceive as an organizational imperative the adoption of a value system which would permit substantial movement toward real occupational equality for women personnel. Goldman comments that the context of military practices, and the nature of the military system, "presents [for women] a case of the search for equality without the opportunity of similarity of specialization or task with their male counterparts."[27]

Women are therefore likely to continue to experience significant organizational resistances and role strains. Goldman claims these cross pressures mirror many forces: formal allocation limits on the overall number of women in the armed forces, the sex typing of professional and occupational roles, civil service requirements which emphasize equity-producing promotion criteria, powerful elaborate standards for promotion which tend to penalize the most gifted and creative of both sexes, the existence of sex-segregated occupational associations within the military, the marginal access of women officers to military social life, the trend toward managerial authority side by side with the crisis-prone organizational reality which centralizes control and hampers the extension of women into authority positions, the increasing emphasis on specialization but the persistence of rewards for being a generalist, and the ranking system which tends to separate the position from the person. The net outcome for women is the disparate promotion of women officers.

Apart from this inequity in the application of occupational and income benefits, women are likely also to continue to have difficulty with what Goldman terms the "sexual symbolism" which permeates the military because of the communal nature of

the military environment, a setting in which work and residential roles overlap. Such symbolism has an obvious impact on occupational life. In this respect also, job provision and income maintenance have fallen short of real welfare. And Goldman concludes that women are destined to continue to have problems in an institution whose major function is the management of violence.

The military provides jobs and income maintenance for personnel in order to produce an efficient, effective deterrent and offensive capability in the interest of national security. Adequate occupational and income maintenance, tied to other benefits which would be very costly to individuals outside the military, provides a necessary incentive to perform the tasks required by the military organization, to reduce potential unrest within that system, and to compensate for the dangers in military service and for the high level of regulation of the behavior, attitudes, and life styles of military personnel. Therefore, military welfare is at once protective and controlling. And within these occupational and economic entitlements there are significant inequities in pay, occupational status, the sophistication of tasks, the technological level of skills, and the rewards and risks involved in membership in the military welfare state.

Military Social Services to Individuals

The United Nation's definition of social services as "organizational activities whose purpose is to further a mutual adjustment of individuals and their social environment" has special meaning within the military establishment.[28] That social environment is quite circumscribed, not only in wartime but in peacetime, and the mutual adjustment process is skewed: individual personnel and military families are required to do the major part of the accommodation. To illustrate this latent aspect of social service provision, we will narrow our analysis to psychiatric and social work services to individuals and families, and to particular examples within these.

Mental Health Services During and Following War

Symptoms of maladjustment to military life represent a major organizational problem for the military both in peacetime and most critically in combat situations during war, just as the incidence of mental illness constitutes a serious social problem for civilian society. Both sectors of the society associate considerable costs with inadequate individual adjustment, both in organizational efficiency and in the capacity to implement primary goals. However, different limits of tolerance and distinctive definitions of deviant behavior have been characteristic of the more restrictive and demanding military environment. Individual adjustment has been viewed within "the institutional and situational demands of [military] duty."[29] The main indices of successful adaptation have been an absence of disciplinary problems in peacetime, and a low breakdown rate in war, rather than more objective measures of psychological health. Therefore, the prediction and prevention of this form of maladjustment gradually became the major function of military psychiatry. This is not inconsistent with the military's continued acknowledgement of the impact

of combat stress on the fighting capability of personnel.

The history of professional services to individuals has therefore responded to the military's changing perceptions of its needs in producing an effective fighting force. The origin of professional counseling was in 1918 when the Red Cross provided social workers to aid in the diagnosis, treatment, and after care of soldiers with "functional neuroses."[30] Early in World War II, the emphasis was on psychiatric screening of draftees and enlistees to determine unfitness for combat prior to absorption into the military, the purpose being to select only those capable of high performance within current military requirements.[31] As the war increasingly demanded greater militarization of the population, and the loss of potential personnel through screening was sizeable, a shift occurred in the direction of retaining within the military not only those defined as most able but also those with psychiatric disorders who were "capable of performance at any reasonable level."[32]

To sustain this broader definition of military capability during heavy mobilization, psychiatric and social work services turned toward a 'social psychiatric' concept of combat disorders "involving mental hygiene services, consultation to command, and preventive psychiatry."[33] The nature of prevention and treatment became tied to the proper use of combat personnel by the command structure. Considered most important in prevention were the duration of exposure to a given combat situation, the nature of the prior training, and the length of the tour of combat duty.[34] These were seen as variables manipulatable by command personnel in reducing the incidence of combat-related mental disorders. The main elements of the treatment approach became immediacy--the necessity of implementing treatment as early and as close to the lines as possible; expectation--treatment carried out with the anticipation that the soldier would return to combat; simplicity--treatment focused on the combat circumstances producing the condition rather than on predisposing factors in the past; and centrality--the availability of a psychiatric staff where psychological casualties were evacuated.[35] These concepts were used to some extent in WW II, but largely due to the different nature of the wars, they were the exclusive guiding principles in Korea and Vietnam. The central purpose was to maintain all personnel in a combat-ready frame of mind.

This reshaping of military psychiatry around changing organizational imperatives produced a substantial expansion in the military welfare state through new interventions. Psychotropic drug medication was only one example. The extension of social services was credited by many with the significantly lower breakdown rate reported in the Vietnam War.[36] However, this apparent increased responsiveness to the coping problems of individual military personnel, particularly in combat, must be examined in a larger context.

Breakdown rates have always suffered from diverse definition and interpretation, and considerable measurement error. They reveal, usually to an unknown extent, as Borus suggests, the soldier's "past history of coping, the flexibility and variety of the coping repertoire he has established in adjusting to past

transitions [crises]."[37] Borus views coping within a remarkably military-type model as "a process of struggle, as in warfare, when the individual must mobilize his resources and allocate them to offensive, defensive, and systems-management operations to ameliorate significant stress."

What is also revealed in breakdown rates, however, is the relative successfulness of military socialization. Basic combat training, for example, is designed to place the soldier under selected physical and psychological stress, and strongly emphasizes the acceptability of overt expressions of hostility and violence under combat circumstances. Many of the tenets of Maslowian "self-actualization" are deliberately eroded.[38] Conformance to military requirements takes precedence over the development of personal values independent of the organization. Personal pacifist tendencies and attitudes supporting cultural relativism, for example, are negatively sanctioned. The degree of psychological stress experienced by different personnel is therefore related not only to combat conditions per se, but to the whole milieu in which both the majority of one's peers and the helping professionals have been socialized to support the "healthiness" of certain personal attributes over others.

In addition, other factors were felt to have made a strong contribution to the low breakdown rate: the degree of cohesiveness felt by the combat group and its sense of identity as a unit, the way in which the unit perceived the adequacy of its leadership, the episodic nature of the fighting, the absence of psychological rewards for evacuation to rear areas, the widespread use of drugs, and perhaps most significantly the rotation system.[39] Some quarreled with these interpretations. Savage and Gabriel, for instance, proposed that cohesion, discipline and professional leadership in Vietnam exhibited several major indicators of disintegration: the replacement of traditional officer stereotypes with managerial noncombat role images, the troubling intermingling of combat and noncombat personnel, and the destruction of primary military groups due to the rotation system.[40] But differing explanations of the low breakdown rate ignore a more basic question: to what extent did the social services within the military welfare state, which contributed to reducing mental breakdown, actually increase the mental health of members of the military in wartime?

It is deceptive to view the psychological health of combat personnel in any other context than an environment which generates far greater fears, anxiety, and guilt--and much more psychological brutalization--than most civilian life situations. Though a minority of personnel gain self-identity and personal integration through combat roles, this form of wholeness has questionable connotations. Some of the behavior expected of personnel by the military in wartime is clearly illness-producing, by civilian psychiatric standards. And among military personnel these expectations are differentially illness-producing, inasmuch as a higher proportion of low income and ethnic minorities experience combat. Therefore a reduction in certain symptoms of clinical illness under severe stress must be analyzed in terms of the life quality of military personnel.

It is important in this respect to discuss briefly the unexpected rate of "civilian readjustment breakdown" which occurred among a significant number of Vietnam veterans.[41] The complicated matrix of delayed symptoms was titled "the post-Vietnam syndrome" by civilian psychiatrists. Shatan and Lifton identified its basic themes as a strong tendency to experience episodes of terror and disorientation, threat-avoiding mechanisms appropriate to combat carried over to civilian relationships, a distrust of establishment pyschiatric and social work services, guilt and undischarged grief over those killed and injured, and a pervasive feeling of victimization by military and government agencies and by hostile public attitudes toward the war.[42] The military took little interest in this phenomenon, treating these problems as "non-service-connected disabilities," thus making services within the military system and the Veteran's Administration unavailable to this group. The civilian welfare system was poorly prepared to treat men with unique post-combat and civilian transition problems, and coped deficiently with this group of clients. Meanwhile the difficulties involved in the veteran's occupational and educational integration increased the severity of the syndrome. The military welfare state was far more capable, potentially, of developing a meaningful pre-discharge and post-discharge counseling program around this problem. But the military bureaucracy, which needed to resocialize civilians to lower their normal control over violent impulses in combat, did not feel an equally strong obligation to deal with the inevitable personal consequences of such training and experience. In returning to a society which had been undergoing considerable social change in the direction of increasing alienation toward such personal warfare credentials, veterans found that both the military and civilian welfare systems treated readjustment problems with benign neglect.

Drug Abuse Services

The use of drugs during the Vietnam War posed a sufficient threat to combat effectiveness and the maintenance of morale and order in the armed forces to stimulate the introduction of new preventive and rehabilitative services. Though Jones and Johnson claim that "drug abuse became an evacuation syndrome paralleling in scale the loss of manpower due to 'war neurosis' in the early stages of World War II," others hypothesized that there was a marked relationship between the low breakdown rate and the enhancement of coping abilities through non-addictive drug use, particularly marijuana.[43]

Bourne discussed the physiological effects of drugs in alleviating stress symptoms.[44] Bey and Zecchinelli took the position that marijuana had indeed served as a coping device in Vietnam.[45] Roffman suggested that "it is within the realm of possibility...that moderate marijuana use for some soldiers--perhaps for most soldiers [in Vietnam]--reduces the likelihood of mental illness [and] personality disorganization."[46] He proposed that marijuana use may have assisted some servicemen with "healthy efforts at coping with a hostile environment." Saunders felt illicit drug use, rather than arising from character disorders, was for some a rational means of dealing with military life in Vietnam.[47]

The military's labeling of the level of drug use as seriously disruptive, and its institutionalization of treatment services, was therefore largely a reactive response to fears of reduced combat performance, rather than an interest in determining the extent of the problem or its consequences for individuals. That this was the case seems borne out by the paucity of military research on drug use, and the secrecy with which Defense Department data were handled. Consequently much of the research has been retrospective, methodologically poor, and the results contradictory. The better data suggest that drug use was quite extensive, though far less than some reports had indicated. And it was estimated that only approximately five percent of servicemen in Vietnam were physically addicted.[48]

The data unequivocally suggest that the majority of drug users were first introduced to drugs in Vietnam. Marijuana use was most extensive, the higher incidence rates being among younger servicemen, those of lower rank, single persons, personnel with urban backgrounds, and ethnic minorities. There was higher use in the field than in base camp areas, and somewhat more use in combat areas than rear areas. Serious adverse reactions attributed to marijuana use occurred in only a very small proportion of chronic heavy users. There was a surprisingly high rate of remission of drug use upon return to civilian life.

A close relationship existed, then, between the conditions of war and the fluorescence of a social problem, particularly in a war where drugs were readily available and where certain personnel at relatively high levels of the military hierarchy were actually involved in illegal purchase and distribution. Those in authority in the military, however, viewed the problem mainly in terms of social control, and largely for this reason drug treatment services were generally inappropriate and ineffective. More seriously, the application and utilization of these benefits were uneven, and the consequences for individuals seeking or assigned to them revealed the ambivalence with which the military power structure defined the role abuse played in strengthening or weakening combat units.

Chemical dependency was responded to within changing and arbitrary sets of criteria. The identification of those "needing" services was often dependent on the command personnel's perception of the value of a particular unit in meeting immediate troop requirements in combat, irrespective of the level of drug abuse within it. If behavior within a unit appeared to involve disciplinary problems, and the unit was not essential to military operations, individuals were often more likely to be channeled to services. This sorting of drug abusers into social services frequently resulted in less-than-honorable discharges. Because the extent of the abuse reported within units varied considerably among commanding officers, discharges were sometimes based on idiosyncratic evaluations of the amount and chronicity of drug use.

Even under the drug abuse amnesty program, publicized by the military as an important additional social service, many self-confessed addicted personnel were stigmatized with such discharges. The special treatment programs under the amnesty program were, in actual practice, not made available to many who needed them. The

data on discharges suggested that the disproportionate number of minority veterans who received less-than-honorable discharges based on drug abuse, was in all probability related to the high proportion of black personnel in combat units. The discharge review process, formally available for reinstating veterans benefits, was implemented successfully in less than 1% of the cases where review was requested, and applications piled up for months and sometimes years prior to a hearing.[49]

As a result, insurmountable difficulties were created for many veterans in gaining civilian employers' trust and in dealing with the double-bind in civilian society: labeling both as a participant in an unpopular war, and as a potentially problematic reject from military service. The evidence strongly supported the claim that some drug-connected less-than-honorable discharges were related more to black militancy than to chronic drug abuse. Because the overwhelming majority of discharges were administrative rather than given through the court martial procedure, only minimum due process protection was available. In addition, "general" discharges, which fell within the honorable category and therefore did not involve a loss of benefits, nevertheless officially stigmatized the returning veteran in civilian society, and reduced his employability. The defining of the individual as "unsuitable" for military performance had broad connotations to civilian employers, far beyond the ability to adjust to military combat. Furthermore, those veterans re-entering civilian life with a genuine drug abuse or alcoholism problem, developed in Vietnam, were denied by their discharges the treatment specifically developed to respond to their needs. Moreover, they were deprived of the educational and training benefits which could have provided healthy support for re-entry.

Taussig suggests five basic criteria for evaluating the entitlements of welfare systems: the adequacy of benefits, cost-effectiveness, horizontal equity, preservation of incentives, and absence of stigma.[50] Drug abuse entitlements proved to be inadequate, relatively ineffective, inequitable, alienating, and stigmatizing. This was so mainly because they were provided within the organizational limits of the military environment and were not the servant of real welfare.

Social Services in Peacetime

In peacetime, and away from combat zones in wartime, the pattern of utilization of psychiatric and social work services within the military also discloses inequities in the military welfare state, which correlate with the structural characteristics of the military establishment. For example, differential "acceptability" has been traditionally attached to different types of individual problems. In practice this has meant that those with drug and alcohol problems have had the least access to social services, those with medical problems the highest, personal problems have fallen in between, and problems involving protest behavior have been completely excluded from the welfare state.[51] The discrepancies in the value judgements associated with different clusters of behavioral "symptoms" have been discriminatory in outcome, favoring those traits which are in conformance with desirable organizational outcomes. As mentioned previously, the withdrawal of certain social service entitlements are likewise linked with "unacceptable behavior" by these standards.

The decision not to make full use of needed entitlements is also constrained by the rigid stratification system which helps define the criteria for upward mobility. Janowitz has documented the highly competitive promotion path of the career officer, emphasizing the intensity of that competition particularly at the mid-level and higher level ranks. He points out that serious jeopardy is involved in the promotion board's notice of possible blemishes to the individual's suitability for shouldering responsibility.[52] One such blemish can be the implication that the individual has sought or needs to obtain help with personal problems. These problems, by contrast with physical symptoms, are considered controllable, and controllability is related to promotional adequacy in a traditional, male-oriented system. This pressure effectively limits the use of counseling and treatment benefits by officers: it is occupationally safer to seek help from non-military personnel or from military personnel on an unofficial basis. In some cases, this has led to black market services which benefit only one category of military personnel and undermine services to others. Because of strict occupational stratification, enlisted men do not frequenly work through the ranks to officer status, and tend not to be (by self-selection) as career oriented. Consequently they have not been as constrained by military norms to avoid the use of these entitlements. Nevertheless, these values also create strains for enlisted personnel.

More insidious is the tendency of the military to view lack of conformity to the proper definition of behavior in superior-subordinate relationships, and to the performance of appropriate combat roles, as an index of military unsuitability. An example of the command structure's concern about the latter is the existence of the Air Force Human Reliability Program. This program attempts to identify and remove individuals considered "unreliable" from critical assignments. Such individuals may or may not need help, yet the negative consequences of seeking help may inhibit the individual from securing much needed assistance and support.

Definitions of appropriate sex role behavior also play a part in the access to and use of psychiatric and social work services. As in civilian life, the presence of symptoms is much more an acceptable rationale for women seeking help than for men, as the dependency inherent in asking for help is more consistent with traditional sex role definitions. However, this inequity is exaggerated in the military welfare state by the much stronger emphasis on the virility and personal ego strength of male personnel, which has been a persistent machismo norm within military systems long before Sparta. This context also affects the utilization of services, as they are provided predominantly by male military professionals whose values tend to be compatible with traditional sex role expectations. The special strains which women experience in the military are often not recognized as legitimate problems for which healthy coping repertoires are needed, and the emphasis is placed on the <u>adjustment</u> of the woman to the generally male-dominated requirements of the organization.

The point we wish to illustrate is that the norms and values of the military "culture," and the social structure of the military "society," create serious inequities in how responsive military social provision has actually been to the needs of individuals functioning within it and making transitions from it. The purpose

of military social services is more clearly related to the suitable performance of military tasks and to internal order--within the primary goal of maintaining an efficient, effective war machine--than to the usual definitions of mental health and illness followed in non-military settings.

Social Service Entitlements to Military Families

The armed services have only gradually become a familistic institution, in the sense of giving attention to the families of military personnel. This change has been in response to developments in the larger society, among which have been the general increase in the percentage of persons living in family units and the growth in medical and contraceptive technology. Trends within the military have also been operative: a consistently lower divorce rate than in the outer society, and a reduction in the average age of active-duty personnel. The particular position of the military in an advanced industrialized democracy has meant that career personnel have increasingly demanded a similar family life style to civilians.[53]

However, the main objective of social services to families has been to prevent family disruption, based on the assumption that the family is a critical support system for military personnel. This notice of the military function of the family has in large part been a response to the realities of the civilian divorce and separation rates, new sexual values and sex role definitions, and new family configurations. Janowitz has commented that there has been a growing recognition that a breakdown in family relationships is a threat to military performance, and asserts that the military has come to believe that "the solution of family problems is essential for professional solidarity."[54]

Until recently the average number of children in military families has steadily increased. Military families have been characterized by younger wives, younger children, and fewer wives employed outside the home, than their parallels in non-military society. This too has increased the demand for additional services and has supported a modification of the military's view of its priorities. At the same time there has been less stigma attached to acknowledging family problems, as they are not interpreted as being as controllable by military personnel as individual personal problems, chemical dependency, or incorrigibility.

Though an increase in benefits followed from changing evaluations of the family's importance, there has been a scarcity of policy development and research within the military on the actual needs of military families. Janowitz and Little have identified some of the major areas of stress as residential mobility, changes in women's roles, loosened ties with conjugal families and communities, a decrease in family allegiance to the military, and retirement transition.[55] Little comments that "the esoteric occupational culture" of the military, and its forced family ties with the father's occupation and associated organizational activities, is a distinctive feature of the military family which has had positive, but in net effect negative effects.[56]

The family separations which are related to military mobility patterns are to some extent unique, and personnel must sometimes make a choice between rank and family. A sizeable percentage of married personnel do not live with their families, and for a majority of military families this means separation from relatively young children and reduced participation in their early socialization. Spouses attached to tactical or combat-ready units have difficulty establishing regular family interaction patterns. This tends to impose a double-parent role on the remaining parent and has often led the family to redefine itself in the matriarchal direction. Stanton points out that there are also outcomes in loss of ties with the more supportive elements in the military community, excessive dependence on relatives, infidelity, and efforts to seek help outside military social services. "The military," he says, "shares the dubious honor with a few other occupational groups and institutions of being a pioneer in the trend toward parental absence that has emerged in U.S. society."[57]

Frequent and often unexpected family relocations are conditions of life rather than chance occurrences in the military, and are the source of potential family problems. There is evidence that family members often try to reduce the painfulness of relocation by avoiding deeply-felt extended kinship attachments, or by engaging in non-intense short-lived personal relationships. Residential instability also interrupts long-term medical care and children's schooling. From a mental health standpoint, evidence has suggested that those wives most alienated from the military find mobility most stressful. Though some studies suggest that family relocation has had little significant adverse effect on the mental health of younger children, emotional deprivation has indeed been an outcome in individual cases. In particular, the effect on adolescents is problematical. Mobility separates them from important peer supports for their own identity, and increases their dependence on parents at a time when independence is a cultural requirement of the maturation process. Foreign assignments, though often economically desirable, usually carry with them inevitable cultural shock for all family members, yet little counseling or prior orientation to the new environment--or services around the anticipation of family problems likely to occur in another society--are provided.

The dramatic change in job and environment discussed earlier for career military facing retirement, has important family implications. Given the comparative youthfulness of military families, retirement tends to occur for many career personnel at just that family cycle point which involves large adolescent adjustments.[58] In addition, at a time when most civilians are reaching the height of their earning period and productivity, 50,000 military retirees per year are entering the mainstream of the civilian occupational structure. The difficulties experienced by the inevitable transfer of the husband's anxieties and pressures onto the family, and the strains the family feels directly in accommodating military and civilian values, have affected change in military policies toward the family.

These policies have been translated into specific services. The recognition of family relocation problems led to the Army Community Service, a comprehensive program "to develop an organized system for bringing together all available military

and civilian resources for the relief of personal and family problems."[59] Wiest and Devis have described it as "a spectrum of humanitarian and mental health approaches which are designed to meet the human needs of a highly technical, highly mobile, multimission military population in cultural transition crises."[60] The Air Force instituted the Family Service and Dependent Assistance Program to aid families in resettling while husbands were on active duty. Another Air Force program, titled Children Have a Potential, responds to handicapped children and their parents.

The Civilian Health and Medical Program of the Uniformed Services, publicized as a national health insurance plan for the military, involves a significant array of family services, as well as medical care and individual counseling. The recent extension of this program subsidizes outpatient psychiatric treatment and social work services for military personnel and their families in civilian mental health agencies and facilities. It is a unique case in which military territoriality and control have been sacrificed in order to secure another goal, that of preserving the family as a supportive milieu.

But CHAMPUS is a cogent example of some of the deficiencies in military-sponsored social services to families. It was developed in the context of a continuing shortage of military psychiatric and mental health professionals. It has been criticized by Congress beginning in 1970 for program mismanagement, only a few of the thirty-one recommendations made by Congress having been implemented in the five years of its operation.[61] Military families have felt little precedence for trust in the confidentiality of records, and those at the higher ranks have still avoided practitioners in any way related to the military. Personnel on isolated posts and families on foreign assignment have not had access to the services. The values within which military families have typically been socialized, and their formal loyalty to a specialized occupational route to success, have mediated against moving out to nonmilitary professionals who likely share a public hostility to military service. Yet in seeking help within the military, they have been hampered by the primary expectations of professionals for preserving the family as an integrated group.

One of the major difficulties is that many of the family problems, to which this part of the expansion of the military welfare state has reacted, are actually generated by the nature of the organizational objectives of the military. These strongly affect the environment in which families must function. The development of services has therefore been both a military requirement and a protective response to the changing norms for family life over which the military has little control. In many cases, the net effect has been insufficient to compensate for the superimposing on family life of a structure geared to warfare.

The Military Environment and Social Welfare Professionals.

Within the framework of the narrow view of personal adjustment in the military, it is important to identify the roles played by military psychiatrists and

social workers. The Army has over 80% of all active duty social workers within its ranks. Wiest and Devis claim that Army social work has constituted nearly all of military social work services since World War II.[62] However, in 1969 this involved only approximately 300 professionally trained social workers on active Army duty.[63]

Though military psychiatry developed rapidly in World War II, a substantial expansion did not follow. The traditional psychiatric model was not entirely compatible with the military environment. Some writers have felt that social work actually flourished in the military setting, largely because of its emphasis on the inter-relationship of the individual and the environment. Social workers tended to expand the scope of services beyond the individual to the family and community, and increased the diversity of professional roles. They became involved in integrating social work services into a total medical care program.[64] The significant point is that social workers had skills which the military increasingly needed. Nevertheless, an inescapable tension existed between the professional training, ethics, and objectives of professionals, and the organizational requirements of the military.

Daniels, in a series of articles which examine the role of the psychiatrist in a military setting, concludes that psychiatrists have tended to be"agents of the military bureaucracy" and therefore unable to serve their clients in the same fashion as their civilian counterparts. "When problems of conflicting interests arise," says Daniels, "the psychiatrist may be placed in a quandry. What is best for the patient may be the opposite of what is best for the system. Such problems arise most dramatically in times of combat."[65] She claims also that the psychiatrist is directed by military goals to maintain an individual's fighting capability. His professional code directs him to support his client's efforts to become a healthier, more self-actualized person. The professional's choice between these conflicting pressures has crucial consequences for individuals.

On the one hand, the professional--psychiatrist or social worker--is a gatekeeper who must prevent the individual's exit from combat in wartime--due to neurosis, psychosis, character disorder, drug addiction, dissenting behavior, alienation. In peacetime, the professional is to perform a social control function in reducing potential disruption which could interfere with the achievement of military goals. As General Westmoreland so revealingly stated, the helping professional plays "a personnel management consultant type role."[66]

On the other hand, the military psychiatrist, psychologist, and social worker are to be advocates for the individual's own integrity and wholeness. The professional codes of these professions are committed to the health and continuing growth of the individual, somewhat in isolation from the cultural demands placed upon him. This role, however, is often sacrificed within the military environment. Robert Lifton feels, for example, that during the Vietnam period military psychiatrists, social workers, and chaplains--in their role as "ultimate authorities of the mind and spirit"--rationalized and justified the ordering of combat personnel into a situation that was both unnecessary and immoral.[67] "Helping" the soldier

remain in combat, and sometimes to participate in war crimes, psychiatrists sometimes served to erode the soldier's capacity for moral revulsion and guilt. Therefore he says that chaplains and psychiatrists "formed an unholy alliance not only with the military command but also with the more corruptible elements in the soldier's psyche." Lifton feels this produces a "counterfeit universe in which pervasive, spiritually-reinforced inner corruption becomes the price of survival." In such a universe in Vietnam, he insists, conscientious professionals become equally entrapped in an organizational commitment to war, and were profoundly compromised.[68]

Professionalism itself may be partly to blame. The image of professionalism gradually shifted as the society changed, first from a personal commitment, to the development of general principles, and finally to specialized kinds of knowledge and skills. Lifton suggests that the latter contained risks: "hierarchical distancing, medical mystification, and psychological reductionism" that tended to undermine ethical responsibility. This is perhaps vastly overstated, but what Lifton fears is critical--that the process of professionalism has involved a move in the direction of "technique devoid of advocacy," away from a process of "advocacy based on faith." The advocacy he has in mind is moral choice in support of humane principles of psychological health and growth, in which professionals are engaged in considering the nature and consequences of their real objectives.

The main problem for the professional in the military--which is not so for civilian professionals--is the strong pressure to mold individuals into an effective fighting force, both bureaucratically and tactically. The professional is no more immune to the rewards and sanctions involved in pursuing these objectives than other military personnel. There is perhaps an even stronger tendency on their part to rationalize the objectives of the system, because to remain within the military requires some prompt resolution of the conflict between individual growth goals and military goals. Through such a process, the military welfare state tends to become a servant of the military establishment.

Conclusion

In this article, we have analyzed a comparatively specialized issue--the impressive system of institutionalized universal and comprehensive entitlements which form what we have termed a welfare state within the military. We have built our case on the premise that in all social systems--of whatever size or complexity--action tends to become organized around critical requisites for the system's continuity and survival.

In being selective in illustrating our main ideas, certain important aspects of the existing military welfare state have not been covered. We have not discussed many of the continuous and emerging needs of military personnel which have not been met by existing benefits and services. We have not anticipated the welfare problems and possibilities in the all-volunteer force.

Another limitation is implicit in our approach, which judges the military welfare state against three criteria: the extent to which it is in practice what it formally purports to be, the way in which it compares with the nature of civilian social provision, and the degree to which it provides optimum life quality for its members. The latter is admittedly perfectionistic, but a criterion to which all welfare systems should ultimately be made accountable. In this judicial process, however, we have focused on the abundant weaknesses in military welfare, rather than on its strengths.

Our major thesis has been that the military welfare state tends to become shaped in the service of the dominant survival goals of the military establishment: the maintenance of an adequate level of deterrent capability and of internal order. In this context, military social provision has provided both incentives to perform necessary organizational tasks, and sanctions to control behavior in the interests of adequate performance. This has involved serious contradictions and inequities which interfered with individuals' real welfare.

The military establishment, like other bureaucratic structures in modern history, is characterized by what Coleman has termed relatively autonomous "corporate actors." For such corporate actors, he says, "the wants and interests of persons ...constitute only constraints on a path of which the goal is corporate survival and growth." This, he contends, biases the direction such organizations take. Organizational decisions about the development and use of resources are "more and more removed from the multiplicity of dampening and modifying interests of which a real person is composed...and more and more the resultant of narrow intense interests of which corporate actors are composed."[69]

Footnotes

1. Welfare state is here defined as Wilensky has developed that concept, the essence of which is "protected minimum standards of income, nutrition, health, housing, and education, assured to every citizen as a political right." Evidence suggests, says Wilensky, that many welfare states are financed by somewhat regressive contributory and tax schemes "but do produce substantial income redistribution and on the whole are likely to be egalitarian in net effect." He claims that the welfare state represents the convergence of urban-industrial societies toward some common "post-industrial condition," despite the diversity of its forms. However, he carefully distinguishes between the welfare state and the "real welfare" of people in societies, and suggests a set of indicators for measuring the impact of the welfare state on real welfare and equality. See Wilensky (1975, preface).
2. It should be clarified that by "real welfare" we mean satisfaction of the higher order needs of people for social esteem, recognition, and self-actualization. This is additional to the usual concept of "well-being" as the satisfaction of the basic essentials of life--adequate food, housing, and other material goods. Real welfare emphasizes less tangible values; for example, a sense of achievement in one's work, a sense of fulfillment of one's potential. Though welfare has come to be defined in terms of the material resources an individual can command, we are suggesting that it also be measured in terms of life quality. For a well-done and provocative study which attempts to measure dimensions of life quality in American society, see Campbell et al. (1976).
3. For a classic discussion of system requisites, see Parsons (1937).
4. See Friedlander's article in this journal.
5. In fiscal 1975, veterans' benefits and services were estimated to be $15.5 billion, which is just under 5% of the entire federal budget, and does not include the very substantial budget for retirement and disability payments to career military personnel. Only the national defense budget, civilian public welfare, medical care, and interest on the national debt account for larter portions of the federal outlay. See The U.S. Budget in Brief (1976).
6. See Wilensky and Lebeaux (1965, p. 138).
7. In 1975, approximately 15% of the non-white civilian labor force was unemployed, a much higher proportion than for whites. This differential prevailed during the Vietnam War as well. It is not unrelated that the proportion of blacks in the armed services increased from 8.2% in 1965 to 14.4% in 1974. This reflected differential deferment for education between whites and nonwhites, as well as enlistments. Those unemployed but not able to seek education or training were most vulnerable to the draft as well as to the pressure for enlistment. The result was military employment of a sizeable portion of the unemployed. See Statistical Abstracts of the U.S. (1975).
8. For example, in 1974, out of the total U.S. employment force (including the military) approximately 3% were persons employed within the armed forces, another 3% were civilian personnel working for the armed forces, approximately 1% were civilians working for federal defense-related agencies, and approximately 4% were civilians working in defense-oriented industries. See U.S. Bureau of

Labor Statistics, U.S. Civil Service Commission Report on Employment and Earnings (1975); and U.S. Census of Manufacturers, Current Industrial Reports, U.S. Bureau of the Census (1975).

9. In 1975, the average salary of enlisted men was $8,000 and officers $18,000, apart from the array of other life-style-supporting services available to military personnel. See Department of Defense, Average Annual Military Pay Rates (1960-1975).
10. It was understood that the selective process in WWII involved personnel of higher prior educational background and socio-economic status, however.
11. See Moskos (1970).
12. See Badillo and Curry (1976).
13. This has been amply documented in various sources. See also Zietlin et al. (1973).
14. Out of the 46,173 battle deaths in Vietnam between 1961-1973, 30,760 were volunteers as opposed to 15,403 draftees. Blacks represented a much larger proportion of enlistees than of draftees. See U.S. Department of Defense, Selected Manpower Statistics (1974).
15. Badillo and Curry, op.cit.
16. In 1965, 9.5% of the total armed forces were black but only 2% were officers. By 1972, 11.9% were black but still only 2.4% were officers. Less than a 1% increase occurred between 1972 and 1974, despite a 2.5% increase in blacks in the service. See U.S. Department of Defense, Office of Equal Opportunity, The Negro in the Armed Forces (1962-1974).
17. Some investigators have pointed out that over 80% of enlisted personnel's positions in the military were in occupations which accounted for only about 11% of the civilian male labor force.
18. See U.S. Bureau of Labor Statistics, "Average Unemployment Rate of Men Sixteen and Over in the Male Civilian Labor Force" (1975), and the hearings before the Subcommittee on Readjustment, Education and Employment of the Committee on Veterans' Affairs, U.S. Senate (1972, pp. 500-524).
19. See Villemez and Kasarda (1976, p. 407-419).
20. For a specific discussion of this situation, see the testimony of Joseph Garcia before the Subcommittee on Readjustment, Education, and Employment, U.S. Senate (1972, pp. 517-524). As an example, in the state of Washington, Employment Security was placing only approximately 3% of all job applicants in 1971 in jobs lasting more than three months. Emergency Employment Assistance jobs and NABS jobs provided slightly more marketable skills and more continuous jobs, but the percentage placed was again very low, particularly for minority group members.
21. Ibid.
22. See Dumas' article in this journal.
23. Between 1960 and 1972, the peak year for the Army was 1972--women constituted 1.9% of total army personnel on active duty. For the Navy, the proportion peaked at 1.5% in 1972. For the Air Force, 1972 revealed a substantial increase to 2.2%. In the Marines, the highest proportion, 1.2%, was in 1972. By 1975, however, 4.5% of all military personnel on active duty were women. It is significant that these figures include academic cadets. Statistical

Abstracts of the U.S., Department of Defense, Military Personnel on Active Duty (1950--1975).

24. Goldman (1973, p. 892).
25. Moskos, op.cit.
26. Goldman, op.cit., pp. 893-900.
27. Ibid., pp. 892-910.
28. See United Nations report, The Development of National Service Programmes (New York, United Nations Social Commission), 1959, p. 6.
29. Nelson (1976, p. 81).
30. O'Keefe (1966, pp. 605-630).
31. Wiest and Devis (1971, p. 327).
32. Ibid.
33. Ibid.
34. Caldwell (1967, pp. 1605-1612).
35. Jones and Johnson (1975, pp. 49-66).
36. For example, during the most intense Tet offensive fighting between 1965 and 1966, only 12 patients were hospitalized or excused from duty out of every 1000 soldiers. The highest rates in Vietnam were approximately 1/10 of the highest rates in WWII, less than 1/3 those of the Korean War. See Blalock (1973, p. 9). Eric Gunderson (1976, pp. 68-69) states that during the Vietnam War the psychiatric incidence rate for Navy enlisted men remained stable at 1000 per 100,000 strength per year, and varied widely by rank (higher for enlisted men than officers), by sex (higher for female enlisted personnel than male), by age (higher for age 17-18 than for 21-35 enlisted personnel), and technical specialty (higher for those in nontechnical jobs, higher for those among hospital ship crews and medical staffs than combat ship crews). The rate for the Marine Corps enlisted personnel more than doubled between 1966 and 1969 from 1000 per 100,000 per year, to 2,100 per 100,000, during the peak of intense and sustained fighting with heavy casualities. These rates, Gunderson says, are still considerably lower than WWII and Korea.
37. Borus (1976, pp. 28-29).
38. Maslow (1968).
39. Blalock, op. cit.
40. Savage and Gabriel (1976, p. 344).
41. Blalock, op.cit.
42. Shatan (1973) and Lifton (1973).
43. Jones and Johnson, op.cit.
44. Bourne (1969, 1970).
45. Bey and Zecchinelli (1970, pp. 448-450).
46. Roffman (1970, pp. 6438-6440).
47. Saunders (1973, p. 65).
48. Department of Defense figures and those of the Special Action Office on Drug Abuse Prevention (1970) were both significantly lower than many other estimates, though DOD data were slow to be released. Ladinsky, in reviewing conclusions from Lee Robbins' The Vietnam Drug User Returns (the report of a retrospective study undertaken by the SA ODAP in May, 1974) reports that 27% of those who served in Vietnam were regular narcotics users while in Vietnam. Fourteen percent of these regular narcotics users had been introduced to opiates first

in Vietnam. Approximately 10% of the regular narcotics users reported continued use after return to civilian life. In terms of acutal drug addiction, however, the study indicated that approximately 20% of narcotics users were likely addicted in Vietnam, but over 90% apparently stopped using narcotics after return. Approximately 60% of these regular users did continue to use other drugs, particularly marijuana. Among men introduced to marijuana in Vietnam, over 80% did not continue to use it on return. Ladinsky suggests that drug use reflected not only the availability of drugs, and peer pressure to use them, but served a psychological function in the context of an unusual war environment. See Ladinsky (1976, p. 450).

49. See the Congressional testimony of Joe Garcia (Garcia, 1973, pp. 522-523).
50. Taussig (1974).
51. See Connally's article in this volume.
52. Janowitz (1960).
53. This information on family patterns within the military is based on Goldman's excellent article in The Social Psychology of Military Service (1976, pp. 119-132).
54. Janowitz, op.cit.
55. Janowitz and Little (1965).
56. Little (1971).
57. Stanton (1976, p. 142). The discussion of family mobility and separation contributed heavily to this section.
58. Little comments that for this reason "the socialization process of the child in the military community is relatively incomplete." (1971)
59. Bevilacqua and Morgan (1971, pp. 851-855).
60. Wiest and Devis (1971, pp. 319-345).
61. The Advocate (March, 1976).
62. Wiest and Devis, op.cit.
63. The Air Force had only forty-two, and the Navy tended to depend heavily on chaplains. See Bevilacqua and Morgan, op.cit.
64. See Bevilacqua and Morgan and Wiest and Devis, op. cit.
65. See Daniels (1972, p. 155).
66. Westmoreland, U.S. Army article.
67. Lifton (1976, pp. 45-64). This article provided many of the ideas articulated in this section.
68. Lifton feels the psychiatric principles of immediacy, proximity, and expectancy, which were to facilitate combat personnel's successful integration into the group life of their units effectively undermined personal integrity in judging one's own ethical behavior in the combat situation. (1976).
69. Coleman (1974, pp. 46-50).

Bibliography

The Advocate, Vol. 5, 5, March, 1976. National Association of Social Workers, Washington, D.C.

"Average Annual Military Pay Rates, 1960-1975," Department of Defense and U.S. Office of Management and the Budget, 1976.

Badillo, G. and G.D. Curry, "The Social Incidence of Vietnam Casualties: Social Class or Race?", Armed Forces and Society, Vol. 2, 3, Spring 1976.

Bardill, D.L. and D. Vielhaber, "Social Work Care in an Army Medical Setting," Military Medicine, July 1972.

Bevilacqua, J.J. and R.W. Morgan, "Military Social Work," Encyclopedia of Social Work, New York: National Association of Social Workers, 1971.

Bey, D.R. and V. Zecchinelli, "Marijuana As A Coping Device in Vietnam," Military Medicine, 136, May 1971.

Blalock, A., "Our Hurting Vietnam Veterans," Engage/Social Action, Vol. 1, 6, July, 1973.

Borus, J.F., "The Re-entry Transition of the Vietnam Veteran," in N.L. Goldman and D.R. Segal (Eds.), The Social Psychology of Military Service, Vol. VI, 1976.

Bourne, P.G. (Ed.), The Psychology and Physiology of Stress, With Reference to Special Studies of the Vietnam War. New York: Academic Press, 1969.

Caldwell, J.M., "Military Psychiatry," in A.M. Freedman and H.I. Kaplan (Eds.), Comprehensive Textbook of Psychiatry. Baltimore: Williams and Wilkins, 1967.

Campbell, A., P.E. Converse, and W.L. Rodgers, The Quality of American Life. New York: Russell Sage Foundation, 1976.

Coates, C.H. and R.J. Pellegrin, Military Sociology: A Study of American Military Institutions and Military Life. Baltimore: Social Science Press, 1965.

Coleman, J.S., Power and the Structure of Society, New York: W.W. Norton and Co., 1974.

Daniels, A.K., "Military Psychiatry: The Emergence of a Subspecialty," in E.F. Freidson and M. Lorben (Eds.), Medical Man and Their Work. Chicago, Aldine, 1972.

"Employment and Earnings," U.S. Bureau of Labor Statistics, U.S. Civil Service Commission, 1975.

Garcia, J., Testimony before the Subcommittee on Readjustment, Education and Employment of the Committee on Veterans' Affairs, U.S. Senate, 92nd Congress, 2nd Session, Washington, D.C.: U.S. Government Printing Office, March, 1972.

Goldman, N., "The Changing Role of Women in the Armed Forces," in J. Huber (Ed.), Changing Women in a Changing Society, New York: Basic Books, 1973.

_____ "Trends in Family Patterns of U.S. Military Personnel During the 20th Century," in N.L. Goldman and D.R. Segal (Eds.), The Social Psychology of Military Service, Vol. VI, 1976.

Gunderson, E.K., "Health and Adjustment of Men at Sea," in N.L. Goldman and D.R. Segal (Eds.), The Social Psychology of Military Service, VI, 1976.

Janowitz, M., The Professional Soldier, New York: The Free Press, 1960.

Janowitz, M., in collaboration with R.W. Little, Sociology and the Military Establishment, Beverly Hills: Sage Publications, 1974.

Jones, F.D. and A.W. Johnson, Jr., "Medical and Psychiatric Treatment and Policy in Vietnam,", The Journal of Social Issues, 31, 4, 1975.

Ladinsky, J., "A Review: Vietnam, the Veterans, and the Veterans Administration," Armed Forces and Society, Vol. 2, 3, Spring 1976.

Lifton, R.J., "Advocacy and Corruption in the Healing Professions," in N.L. Goldman and D.R. Segal (Eds.), The Social Psychology of Military Service, Vol. VI, 1976.

_____, Home from the War. New York: Simon and Schuster, 1973.

Maslow, A., Toward a Psychology of Being, Princeton: Van Nostrand, 1968.

"Military Personnel on Active Duty, 1950-1975," The Budget of the U.S. Government, U.S. Office of Management and the Budget, 1976.

Moskos, C.C., Jr., The American Enlisted Man: The Rank and File in Today's Military. New York: Russell Sage Foundation, 1970.

"The Negro in the Armed Forces, 1962-1974," U.S. Department of Defense, Office of Equal Opportunity, 1975.

Nelson, P.D., "Biographical Constructs as Predictors of Adjustment to Organizational Environments," in N.L. Goldman and D.R. Segal (Eds.) The Social Psychology of Military Service, Vol. VI, 1976.

"Number of Battle Deaths in the Vietnam War, 1961-1973," Selected Manpower Statistics, U.S. Department of Defense, 1974.

O'Keefe, D.E., "Psychiatric Social Work," in Neuropsychiatry in World War II. Office of the Surgeon General, Department of the Army, 1966.

Parsons, T., The Structure of Social Action, New York: McGraw-Hill, 1937.

Saunders, C.R., "Doper's Wonderland: Functional Drug Use by Military Personnel in Vietnam," Journal of Drug Issues, 3, 1973.

Savage, P.L. and R.A. Gabriel, "Cohesion and Disintegration in the American Army: An Alternative Perspective," Armed Forces and Society, Vol. 2,3, Spring, 1976.

Shatan, C.H., "How Do We Turn Off the Guilt?" Human Behavior, No. 2, 1973.

Stanton, M.D., "The Military Family: Its Future in the All-Volunteer Context," in N.L. Goldman and D.R. Segal, The Social Psychology of Military Service, Vol. VI, 1976.

"Total Employees in Defense-Oriented Industries," U.S. Census of Manufacturers and Current Industrial Reports, U.S. Bureau of Census, 1972.

"Total Employment, Age Sixteen and Over," U.S. Bureau of Labor Statistics, 1976.

Robins, L.N. The Vietnam Drug User Returns. Special Action Office of Drug Abuse Prevention, Executive Office of the President, Special Action Office Monograph Series A,2, Washington, D.C.: U.S. Government Printing Office, May, 1974.

Roffman, R., Testimony on Drug Abuse in the Armed Forces, Hearings before the Subcommittee to Investigate Juvenile Delinquency of the Committee on the Judiciary, U.S. Senate, 91st Congress, 2nd Session, 1970.

Roffman, R. and E. Sapol, "Marijuana in Vietnam, A Survey of Use Among Army Enlisted Men in the Two Southern Corps," International Journal of Addictions, Vol. 5, 1, March, 1970.

Taussig, M.K., Background paper for Those Who Served. Report of the Twentieth Century Fund Task Force on Policies Toward Veterans. New York: Twentieth Century Fund, 1974.

United Nations. The Development of National Service Programmes. New York: United Nations Social Commission, 1959.

The U.S. Budget in Brief, Washington, D.C.: U.S. Government Printing Office, 1976.

Villemez, W.J. and J.D. Kasarda, "Veteran Status and Socioeconomic Attainment," Armed Forces and Society, Vol. 2, 3, Spring 1976.

Westmoreland, W.C., "Mental Health--An Aspect of Command," unpublished paper, U.S. Army.

Wiest, B.J. and D.A. Devis, "Psychiatric and Social Work Services," in R.W. Little (Ed.) Handbook of Military Institutions. Beverly Hills: Sage Publications, 1971.

Wilensky, H.L., The Welfare State and Equality. Berkeley: University of California Press, 1975.

Wilensky, H. and C. Lebeaux. Industrial Society and Social Welfare. New York: The Free Press, 1965.

Zeitlin, M., K.G. Lutterman, and J.W. Russell, "Death in Vietnam: Class, Poverty, and the Risk of War," Politics and Society, 3, Spring, 1973.

THE MILITARY ESTABLISHMENT AND SOCIAL WELFARE: PAST, PRESENT (AND FUTURE?)

George W. Ayers, DSW

Graduate School of Social Work
University of Texas at Arlington
Arlington, Texas 76019

As we move toward the decade of the eighties we are becoming increasingly aware of the difficulties and realities of economics on a national level. More and more we, as a people, are faced with difficult choices concerning the services that we either demand of our government or which government deems it necessary to provide.

Although it is an oversimplication, our Constitution mandates that government always follow to some degree a "guns and (not or) butter" philosophy in its preamble provisions dealing with "common defense" and "general welfare." We have though paid dearly, in economic terms, for attempting to follow such a fatal "guns and butter" philosophy during the Vietnam conflict. Faced with the untenability of the above non-choice planners, elected officials, and others must take a hard look at current and future allocation of resources in order to maintain some semblance of "living within our means."

It is the purpose of this article to exmine one area in which there could be a re-distribution of financial resources and to advance suggestions concerning the implementation of programs.

It has been my observation that during the last 15 years the Department of Defense has introduced a variety of programs which may be viewed purely as ventures in social welfare. My thesis is that these programs are (a) unnecessary, (b) disproportionate in terms of resources expended vs. benefit received and (c) are not philosophically in keeping with either social welfare values or the values of the military establishment.

I intend to confine my remarks to three programs: Project 100,000, Project Transition, and the Medically Remedial Enlistment Program. While it is true that two of these programs have been phased out (Projects 100,000 and Transition) the precedent for their use has been set and programs of a similar nature could be initiated at any time.

Let us first examine the basic premise which underscored two of the programs (100,000 and Medical Remedial). That premise was a need for additional manpower during the initial stages of the Vietnam involvement.

Project 100,000 was initially instituted in October 1966 in two phases. The first phase was designed to bring into all branches of the armed forces individuals who would otherwise not be qualified for enlistment because of unsatisfactory scores on the Armed Forces Qualification Test. The second phase which began in February 1967 was the Medical Remedial Program which was designed to enlist those individuals with single correctable medical conditions.[1]

What both programs basically offered was an opportunity for individuals who could not otherwise qualify for military service to enlist. However, these programs, while aimed at meeting manpower needs during a critical time, were also social welfare programs. One of the components of Project 100,000 was described as preparation training. This was basically remedial education for the enlistees under this program and was estimated by the GAO to cost 8 million dollars in Fy 70. Additionally, the cost of remedial education in other types of training after basic training for the Project 100,000 personnel in Fy 70 was estimated to cost 3.5 million.[2] In other words, in one Fy the Department of Defense spent 11.5 million dollars in extra training cost for individuals who did not meet the military's own standards.

The social planner might speculate that this money might have been more effectively utilized in some type of vocational education program, for over 34%[3] of the Project 100,000 enlistees ended up in combat arms branches which offered no readily transferable civilian job skills. In other words, the DoD was offering very expensive remedial education in order to prepare an individual to be a combat soldier. We can only speculate as to whether these individuals would have enlisted if alternative training had been available out of the military. This speculation leads us therefore to the "harder" question of whether a social welfare service should be offered as an enticement for military service if it is not available outside of the military alternative. I think not.

Let us pause in our examination of the first category of Project 100,000 to view the second category, the Medical Remedial Program. Although Project 100,000 (category 1) has been phased out, category 2 is still with us. Basically this program allows individuals with relatively minor medical problems, most of which require surgical correction, to enlist in the military, have their problem corrected at a Basic Training Center and then enter a Basic Training cycle. Applicants must be mentally qualified.

One again we are faced with the situation of offering a social welfare service (health care) as an incentive for enlistment. This is an unequitable situation. Many of the medical problems which this program addresses are the type of problems which affect the nature of the work that an individual might perform and I can find no reason why military service should be a contingency for obtaining the service. The Medical Remedial Program is still

with us and will become more expensive to operate as all costs continue to spiral.

Both Project 100,000 and the Medical Remedial Program were initiated during an era of military conscription. While they were not eminently successful, they did provide a pool of manpower. For example, by July 1968, less than two years after initiation, Project 100,000 had enlisted 125,152 men[4] in all branches of the military and 87,700 in the Army alone. If this type of program had to be offered during a period of active conscription I would conclude that the potential for it, or a prototype, being resurrected during a period of non-conscription and poor recruiting is high.

What would its resurrection mean? First, it would indicate that the Defense Department was embarking upon a program of social rehabilitation, an area in which it has no mandate. Second, it would indicate that "X" amount of national resources were being channelled into this program. Third, I would contend that programs such as Project 100,000 and Medical Remedial are representative of a type of double jeopardy in that individuals who are basically unequipped with key coping skills are thrust into a highly competitive environment in which they will be even less able to cope.

Let us examine each of these contraindications in turn. I would define "a program of social rehabilitation" as any program which is designed to provide individuals with remedial skills or capabilities which they would not be able to obtain without the benefit of the program. In turn these skills or capabilities would enable the individual to achieve or attain something that would not be possible had not the remedial action been taken. Paradoxically the job of the military establishment in this country is to defend the country from all enemies, foreign and domestic. There is no requirement in the constitutional provisions, which establish the maintenance of a standing Army, that this Army also provide its members with benefits concerning remedying of deficiencies which would have prevented them from serving in the Army in the first place. Many years ago the military in this country was literally highly over-worked and grossly underpaid. The professional soldier was viewed by the average citizen as a mercenary, a ne'er-do-well, and generally as an individual who could "not make it on the outside." Therefore it was acceptable since the government was in essence doing the man a favor by permitting him to serve, to pay him less than a living wage and to provide him with a certain amount of in-kind benefits to supplement that wage.

Since 1964 military pay has been on the up-swing and is now tied closely with pay within the industrial sector of the economy and in many respects exceeds pay in those vocations not subject to the federal minimum wage. I therefore maintain that there is no need to offer a variety of expensive and elaborate social welfare type incentives in order for a man to serve his country or to simply choose the military as an occupation.

The military will argue that the elimination of the draft has made recruiting extremely difficult and that were it not for the elaborate system or fringe benefits some of which are admittedly of a social welfare nature, there would be no real incentive for a man to serve in the military since he could obtain the same monetary rewards in the civilian economy and not suffer the potential hardships and dangers associated with military service. However the military, to put it quite simply, has no mandate either constitutionally or statutorily to offer social welfare incentives for military service. The second contraindication concerns the amount of money which is channelled into these programs. During Fy 68, 69 and 70, the Army either spent or proposed to spend some 29.2 million dollars on Project 100,000 alone.[5] This is an enormous sum when we consider the fact that there is no data to validate that the individuals enlisted under these programs were any better or worse off in the long run than if they had not enlisted. I would contend that this money could have been more effectively utilized if added to Manpower Training, Vocational Rehabilitation or some other existing program, rather than used in a fragmented fashion by the Department of Defense. Based on the rate of inflation and on the 68 through 70 figures, we might reasonably conclude that should the Department of Defense choose to embark on another course similar to Project 100,000, it would entail costs probably double that previously cited. In addition to the actual and projected cost associated with Project 100,000, the cost associated with the Medical Remedial Program could be channelled into already established programs on health care delivery such as family planning, pre- and postnatal care, and early childhood screening and probably attain a much greater cost benefit factor than that associated with simply correcting physical deficiencies in order to make individuals acceptable for military service.

Concerning the idea of double jeopardy, one Department of Defense publication indicates that Project 100,000 permitted the military services to utilize "adequate personnel -- not the optimum or the best -- and assume the additional cost in order to obtain the benefit of upgrading these individuals."[6] The publication further goes on to state that the individuals who participate in this program will be not only "better soldiers but more useful, productive and self-assured citizens."[7] That is rhetoric. Let us look at facts. Of the initial study group in Project 100,000, 15.6% were still in the first two ranks of the military hierarchy compared to 7.4% of individuals not taken in under Project 100,000 during the same period.[8] This figure alone indicates that Project 100,000 individuals were not competing at a level equal to those individuals who entered the military through the normal channels. Additionally a quote from a recent article concerning the performance of individuals who enter a high stress environment such as the military with a proven record of inability to cope in the civilian environment underscores my point. (A resigning company grade officer states:) "So much time and manpower is virtually wasted trying to help people who actually do not want help. This includes criminals present and past and

juvenile delinquents. As an officer I am expected to redeem these people, to erase 17 to 20 years of ingrained dishonesty and apathy often at the expense of worthwhile men."[9]

We know empirically that 24% of the Project 100,000 personnel ended up in the infantry. Another quote from a resigning company grade officer indicates the result of that type of assignment. "The present practice of assigning to the infantry only those recruits who have uniformly low intelligence (must stop). Contrarily recruits with high verbal abilities should be assigned to the infantry, since they will be the most qualified to understand and give orders, and most confident when speaking to a group of men."[10]

The military establishment is perhaps the only form of work in which an individual can be severaly punished for the commission of offenses which in a non-military job would result, at worst, in the loss of the job. There is no argument with the necessity of discipline, particularly among troops whose exposure to combat is imminent. However, I would contend that individuals who have demonstrated significant difficulty with authority and structure in the past, i.e., high school dropouts, etc., are going to continue to demonstrate those patterns in military service and no effort oriented toward upgrading large numbers of these individuals on a mass scale can expect to be effective in changing the behavior patterns of significant numbers of them. We therefore find that the individual who has exhibited a marginal adjustment to life stress when placed in the military is literally subjected to double jeopardy. The stress situations have not lessened, if anything they will have increased and the individual will demonstrate a parallel correlation in his ability to cope with them.

Before we begin to look more closely at the philosophical issues involved in the military's venture into social welfare, let us examine briefly the final program, Project Transition. Project Transition was established in April of 1967. "The primary purpose of Project Transition (was) to provide educational, vocational and job counseling for enlisted personnel prior to release from active duty."[11] The GAO report to Congress concerning management deficiencies in this area indicated that the program was showing too much emphasis on educational upgrading and not enough in accomplishing the original purpose of the program which was to simply smooth the transition from military to civilian life. Granted there is a fine line concerning mandate when it is obvious that transition from military to civilian life is going to be hampered by lack of education, however, the purpose of this program was not to provide remedial education but to assist the individual in developing or repackaging his marketable skills. The hooker in this arrangement is that the training took place while the individual was on active duty and continued to receive his full pay, allowances, and benefits while being taught some usable skill. This is nothing more than a camouflaged form of public assistance. If in fact the purpose of the military is to provide

job training, then substantive changes must be made within the statutes that govern the military. Project Transition was expensive. It was programmed for 16 million in Fy 69 and 19 million in Fy 70.[12] These are actual training costs; this does not include the pay, allowances and supporting funds for those individuals whose services for all practical purposes were lost to the military.

It would seem that once again we find certain social welfare benefits being offered as a contingency for having military service, not on the basis of need. I would contend that if the cost for Project Transition could have been channelled into other programs and the men released early, the same benefits could have been obtained at less cost to the taxpayer.

I have attempted in the previous discussion to demonstrate that the military has increasingly utilized soft social welfare incentives in an effort to entice individuals to serve. I have not touched upon the idea of the combat arms bonus, the G.I. Bill education benefits, or the active duty tuition assistance and high level education opportunities offered to those who remain on active duty. The basic issue in all of this is whether or not military service is so repugnant that we as a nation must attach to it an entire series of elaborate and attractive buffers in order to make it a viable alternative for our young. The entire concept of the draft has been and continues to be a volatile political issue and there are sound arguments both for and against its abolishment and re-instatement. Military conscription is in itself obviously not the answer. However, there have been a number of viable arguments advanced for mandatory national service.[13] Such a national service could probably be financed at least in part from the abolishment of expensive incentives as a reward for military service. It would strike at a time when many young people are "turned off" to the idea of further higher education and would offer them a viable alternative to initial competition in an overcrowded job market. Military service would be one alternative of national service. Such a program would offer the opportunity for health care services to be provided, for educational remedial work to occur and for young people to solidify those values which will be necessary for a productive adulthood. It is obvious to me that the current course of heaping benefit upon benefit for military service is reckless and will eventually peak out from the sheer force of economics alone. There is no indication that we are receiving better soldiers for more money. The American people are faced or will be faced with hard choices and the type of army that they want will be one of these choices. We have strong empirical validation that massive ventures into social welfare such as Project 100,000, Project Transition and the Medical Remedial Program are, to say the least, not eminently successful in meeting our military needs. Rather, they have channelled off large sums of money and extensive amounts of effort to operate them.

Some critics would argue that these programs are not inordinately expensive when compared to the sums spent on social welfare in general. In a sense that argument is valid but it is not germane. The issue is not money per se, but who should receive and disburse the money. My thesis is that the military has no business in social welfare. If the Pentagon cannot meet its manpower needs on the basis of its intrinsic attractiveness including early retirement, pay, tax-free allowances, etc., then it should go before the Congress and acknowledge its difficulties.

The military's need to pursue social remedial programs as a manpower source speaks to another area of problems which is beyond the scope of this paper but which has major implications for social planners. Those problems were clearly documented in Eli Ginzberg's works[14] in 1959 and indicate that we have come precious little closer to bringing a large segment of the population to a level of health and literacy that they are capable of serving the nation. This failure of all of our institutions to "provide for the general welfare" underscores the futility of the military's foray into the social welfare arena. In the future there must be firm provisions to prevent the military from offering remedial or transitional services. There are existing agencies a plenty to provide these services.

There is nothing dishonorable about military service per se. What has tended to dishonor it are inconsistencies ranging from draft deferments to cover-ups; and social welfare ventures only lead to further tarnishing of an already battered image.

The competition for scarce resources will grow in intensity as our national priorities shift. This competition is, to an extent, necessary given the nature of our politico/economic system. However, the competition can be made more equitable if those of us who are advocates of effective social welfare programs will constantly remain on the alert and speak out loudly against institutional infringement in our area of expertise.

Footnotes

[1]Comptroller General, Report to the Congress: Management of the Project 100,000 Program, U.S. Government Printing Office, 1970, p. 3.

[2]Ibid., p. 16.

[3]Ibid., p. 7.

[4]Ibid., p. 6.

[5]Ibid., p. 16.

[6]Falk, Stanley L. Defense Military Manpower. Industrial College of the Armed Forces: Washington, D.C., 1969, p. 102.

[7]Ibid.

[8]Comptroller General. Op. cit., p. 8.

[9]Hopgood, M.T. Jr., "Leadership Failures," Marine Corps Gazette, Aug. 1976, p. 25.

[10]Ibid., p. 25.

[11]Comptroller General, Report to the Congress, Need to Improve Project Transition Management by the Department of Defense, Dec. 1969, p. 3.

[12]Ibid., p. 12.

[13]Myers, Richard L. "Why We Need a National Service," Perspectives in Defense Management. Autumn, 1973, pp. 72-78.

[14]Ginzberg, Eli et al. The Ineffective Soldier: Lessons for Management and the Nation. Vols. 1-3. New York: Columbia University Press, 1959.

SOCIAL WORK IN RELIEF AND REHABILITATION AFTER WARS, AT HOME AND ABROAD

Walter A. Friedlander, Professor Emeritus, University of California, Berkeley

In the United States after the wars of the 19th. century, particularly after the Civil War, no professional social workers existed who could have cared for the wounded soldiers and civilians or for the disabled veterans. But in Europe, during the war of France and Italy against Austria, in 1859, the foundation of some services for the wounded soldiers of the three involved nations were laid by a Swiss banker, Henry Dunant of Geneva who arrived by accident on the evening of the bloody battle in Solferino (Italy) and started to help bandaging some of the bleeding victims of this fight. When he recognized that he and his valet were not able to provide aid even to a small number of the many wounded, he went to the surrounding villages and persuaded a number of peasants to help him and his servant to bandaging other injured soldiers. He also continued his journey and asked the commanding general of the Italian and French armies to send soldiers and physicians to help the injured. As a consequence of this experience, Dunant published the story of this fact "Un Souvenir de Solferino" which was sent to several European monarchs, including the wife of Emperor Bonaparte in France and Queen Louise of Prussia and stirred public opinion in several countries to the recognition that aid for war-wounded persons was necessary. These actions led to the foundation of the "International Red Cross" in Geneva in 1864, which afterwards employed social workers, nurses and physicians who assisted injured persons in wars and natural catastrophes.*1

Although the International Committee of the Red Cross invited the United States to join the International Red Cross organization, Congress refused in 1864 to do so. Only in 1882, the foundress of the American National Red Cross, Mrs. Clara Barton, was able to persuade the Congress to join the International Red Cross. The international agency, in the meantime, had engaged social workers, nurses and physicians of the participating nations and had helped the victims of wars and natural disasters in Europe.*2 However during the First World War (1914-18) American social workers and volunteers, in addition to British, French and Swiss workers were actively engaged in services to war-wounded persons and to prisoners of war, helping people of both warrying nations. The most spectacular relief actions were conducted in France, Belgium, Italy and Greece, and institutions for the treatment of wounded and sick persons in Switzerland as a neutral country were widely used. Not only workers of the American Red Cross were helping in this period, but also American and British members of the Friend Service Committees (Quakers), of the American Relief Administration organized by the Government under the direction of the later President Herbert Hoover, the Near Eastern Foundation, the Save-the-Children Fund, the American Jewish Joint Distribution Committee, the World Young Women's Christian Association and Young Men's Christian Association and other philanthropic and religious charities.*3

After the first world war, in 1921 the International Migration Service in Geneva (Switzerland) was founded especially to help refugees and families of prisoners-of-war

who did not return to their native homes to join their husbands and fathers. This agency, now renamed "International Social Service" with headquarters in Switzerland (Geneva) and New York and cooperating with local travelers-aid services employs trained professional social workers and helps also in adoption procedures for children of American citizens and foreign women, particularly after the war in Vietnam. The "Unitarian Service Committee" (Boston) gave medical aid and training of social workers in European and African countries who were badly needed after the numerous wars in Africa and in Europe after the second world war in 1945. Under the auspices of the League of Nations and more recently of the United Nations and their affiliated organization, UNICEF, World Health Organization, Food and Agricultural Organization and others, social workers have been assigned to various relief actions after wars and natural catastrophes. Numerous social workers have been helping in the rehabilitation and health services in East Asia after the end of the wars between Japan and China and the occupation of most Asian and Pacific countries by Japan. Finally in Japan itself, social workers have assisted in the repatriation of prisoners of war and wounded soldiers as well as in the development of modern social services and training of social workers.*4

Among the social service programs directly related to wars, the War-Veterans Services are the most prominent. In earlier periods of history those services were extremely limited. For instance in England, France and Germany the resources were so meagre that veterans roved the countries as gangs, robbing and killing peasants who refused to give them alms. Consequently, the Elizabethian poor law of 1601 for the first time in England included veterans among those groups which should receive relief from the parish where they had resided before their disablement in war service unless their families were able to assist them. Similar provisions in other European nations were the rule until the later part of the 19th. century. In the United States, the Continental Congress maintained after the declaration of independence the measures for veterans of the preceeding colonial period, providing land grants for building a homestead, a small pension for disabled veterans, and institutional care for those seriously disabled that they felt unable to live in the community or with their families. Similar conditions continued until World War II. During this war the universal draft had for the first time in the United States transformed millions of civilians into veterans and the mass of them gave them sufficient political power to request new legislation which gave them new essential priviliges compared to the civilian population.*5

War Veterans are entitled to receive as monetary benefits "disability pensions" for all service-connected disabilities leading to permanent, total invalidity; and "disability compensation" caused by any service-connected disability; "retirement pay" after leaving military service; also temporary benefits for veterans discharged before able to find full employment, called "readjustment allowance" for unemployed and for formerly self-employed veterans; "death awards" for widows and minor orphans of veterans and special "death pension awards" under circumstances to survivors of veterans whose death was not service-connected. Educational benefits for veterans included "subsidies" for further education, studies and training, providing tuition, books, equipment and needed expenses, such as board, rent, lodging and travel. "Vocational training aids the veteran in finding employment and the disabled veteran

in addition to his disability allowance by a special "subsistence allowance". Veterans Benefits are administered by the Veterans Administration with its central office in Washington, D.C., and 13 regional branch offices.

Medical benefits to veterans are free hospitalization in veterans' and other public and private hospitals, medical and dental care, in emergencies immediate hospitalization, prosthetic and other needed appliances, and recreational facilities to help in rehabilitation. Blind veterans are entitled to seeing-eye dogs and electronic equipment; legless veterans to a special automobile; deaf veterans to vocational training in rehabilitation centers, vaterans suffering from nervous illness to psychiatric therapy, and all disabled veterans to after-care after hospitalization in halfway-houses, foster homes and nursing homes, and in out-patient clinics. In most states additional medical and rehabilitation services for veterans are available which allow for treatment by private physicians and psychiatrists. Old veterans in financial need are entitled to unlimited hospitalization.

Social services by trained social workers and volunteers for veterans are counseling in personal, family, and economic questions, and advice for adjustment and on medical treatment ordered by the medical staff. The service includes rehabilitation and vocational training, information on preferences in civil service employment, tax and license fees, burial services for indigent veterans. Several states in USA also grant guarantees for the purchase of a business, a homestead and land, and educational supplements for children of veterans.

The Charter of the United Nations states in Article 1 that the purpose of this organization is the prevention and the removal of threat of war and to achieve international cooperation with respect for human rights and fundamental freedom for all human beings. Unfortunately they have not realized these purposes so far so that we have still to consider which social work functions are necessary after warfare and demilitarization. Within the framework of the international organizations discussed above the "High Commissioner for Refugees" is particularly concerned with aid for victims of war, displaced persons, widows and orphans of military personnel and civilians. These services were instituted after the special "International Refugee Organization" of the United Nations was liquidated in 1951.[*6] In addition to the High Commissioner's office in Geneva, the United Nations established after the 1947 Near East war still two additional agencies: "The Relief Fund for Palestinian Refugees" and the "United Nations Relief and Works Agency for Palestinian Refugees" (UNRWA). These organizations unfortunately have not been able to solve the problems of those refugees in settling them among the Arab nations nor to achieve their rehabilitation as far as the masses are concerned.

The other organizations of the United Nations are still trying to help war victims and orphans in many respects, by health care services, emigration counseling and assistance, children's aid, and social and economic community developments in the poorer nations. Social workers interested in international services are encouraged in most industrial nations such as Great Britain, France, Switzerland, Canada, and the United States by conferences and seminars under the auspices of the "International Council on Social Welfare", the "International Association of Schools of Social Work", the "International Federation of Social Workers" and the national professional

social work organizations of these countries, and of Australia and New Zealand. Regional conferences and seminars of those organizations are helping to increase the interest and the participation of social workers and volunteers in social services for victims of wars.

*1 Martin Gumpert, Dunant, the Story of the Red Cross (New York, Oxford University Press, 1938); and John Maloney, Let There Be Mercy (New York: Doubleday, 1944).

*2 Ernest P. Bicknell, With the Red Cross in Europe (Washington, D.C.: American National Red Cross, 1938); Walter Friedlander, International Social Welfare (Englewood Cliffs, N.J: Prentice-Hall, 1945), p. 1-3.

*3 Friedlander, op. cit., p. 3-5.

*4 Dorothy Dessau, Social Work in Japan (Tokyo: Social Workers International Club of Japan, 2nd. ed. 19680).

*5 Delwin M. Anderson, "Veterans Services", Encyclopedia of Social Work 1971, pp. 1513-18; Eveline Burns, The American Social Security System (Boston: Houghton-Mifflin, 1949), pp. 265-292; Walter Friedlander & Robert Apte, Introduction to Social Welfare (Englewood Cliffs, N.J: Prentice-Hall, 1974), pp. 99-100, 464-471; Social Security Bulletin 38 (April 1975), Jables M1, M2, M3, pp. 45-47.

*6 Ralph Townley, The United Nations (New York: Scribners, 1968), p. 298; Walter Friedlander, International Social Welfare, pp. 41-43; Bertram Pickard, The Greater United Nations (New York: Carnegie Endowment for Peace, 1950).

ALIENATION OF YOUTH AS AN UNINTENDED CONSEQUENCE OF MILITARY ASSISTANCE IN AFRICA

Illustrations from the Ethiopian Experience

Quentin F. Schenk, Professor [1]
School of Social Welfare
University of Wisconsin-Milwaukee
Milwaukee, Wisconsin 53201

The development of global competition between Russia and the United States led to a dramatic diversion of the resources of the United States to military and quasi-military programs. Some of the objectives of the competition were to maintain United States influence and power over its empire in the Middle East and Africa: to monitor the Red Sea; to have a presence near Egypt, especially in view of the development of the Aswan Dam by the Russians; to have proximity to its Asian colony, Israel; to keep watch over its oil in Saudi Arabia; to establish and man satellite tracking stations which were necessary to compete with Russia in space; and to maintain a presence in Africa in order to safeguard its interests throughout the continent.

Ethiopia is geographically strategically located to enable the United States to accomplish the objectives stated above. Additionally, until recently its head of state, Emperor Haile Sellassie, held tremendous prestige, and was quite pro-western in his allegiances. Ethiopia was also the African headquarters of the Economic Commission for Africa, and the headquarters city for the Organization for African Unity. A military presence, therefore, was mandatory in Ethiopia if the United States was to stand up to the Russian challenge in that part of the world. This presence developed from its inception in the middle 1950's to the point that in 1970, the assistance to the military alone equaled the dollar amount of all other types of assistance to all the other nations of Africa. This did not include the support of the official United States military activities in Ethiopia. So, it can be seen that the United States invested heavily in military programs in that country.

One of the interesting items to note is that investment and assistance funds from all sources to a country usually follow rather than preceed the political decision to invest militarily in a country. Foundation money, developmental assistance money such as AID grants; even assistance from other countries and the

---

[1]This paper was initially drafted following a three year assignment of the author at the then Haile Sellassie I University, Addis Ababa; now, the National University of Ethiopia.

United Nations followed upon the decision to invest in military assistance in Ethiopia, when it became clear that it was necessary to safeguard our interests in that part of the world.

Nothing much had happened in Ethiopia since the Italian occupation of the 1930's to encourage it to depart from its traditional modes of organization and behavior, until the decision of the 1950's by the United States to invest militarily in Ethiopia. Following upon the heels of that, the National University was established; Ethiopian Airlines came into being; public education was pushed for development from kindergarten through the twelfth grade; efforts were begun to establish an economic infrastructure; agricultural modernization was pushed; health programs utilizing western methods were organized; and so on. Even though there was much reservation about all this change among the elders, nobility, clergy and politicians, the push toward modernization went on apace anyway. It is the thesis of this paper that the decision of the United States to develop and strengthen its military presence in Ethiopia for the reasons cited was the single most important factor in accounting for the eventual alienation of youth in Ethiopia, which in turn became the dominant factor for the current revolution taking place in that country. As to whether this form of destabilization and its consequences is more functional than dysfunctional is a matter this writer cannot answer. Only time can tell. But the point of the paper is that the U.S. military are the modern missionaries without their either knowing or admitting same; for they in their presence in a country like Ethiopia to implant and reform military programs inevitably trigger changes that fundamentally alter the characteristics of all aspects of the social order. Let us then turn to a brief description of the process which took place in Ethiopia in the alienation of its youth, a major precursor of the current revolution there.

Ginsberg states that there are between 22 and 23 million persons living in Ethiopia. One-third of the population falls in the range of ages 15 and 59. The number of persons with a tenth grade education or more number 25,000. This select group of 25,000 are located almost without exception in the cities, where the scarce educational, welfare, employment, opportunities are found. Ginsberg estimates overall literacy at 5.7%. Fifty-two percent of the urban males are literate; 16% of the urban females are literate. Seven percent of the rural males are literate, but the rate is declining. The literacy rate of rural families is almost nil. [2]

---

[2]Ginsberg, E. and Smith. H. Manpower Strategies for Developing Countries, Lessons from Ethiopia. Columbia, 1967, pp. 21, 48.

These figures show that Ethiopia is a nation of young persons, which is a situation similar to other developing nations of sub-Saharan Africa.[3] The figures also show that only a very small group from those under 21 years of age are at present able to move into the ranks of the educated elite. The creation of a coterie of educated elite is a key requisite for development, and the ability of a modernizing nation to produce and utilize this coterie is one of the important indicators of that nation's ability to initiate and sustain the modernization process. Ethiopia has difficulty in this regard, for Ginsberg states that with a population increase of about 2% per year, Ethiopia is becoming a nation of an ever increasing proportion of young persons, without much change in the near future in the ratio of the skilled manpower to the total age group. It can be said, then, that up to this time, only a very few of the young people in Ethiopia have been touched by the forces of modernization in any real sense. Most of them still live as they have been doing for centuries past. This highlights the importance of this small group of the educated elite, for it is from here that the individuals come who carry the responsibilities and leadership for the current and future efforts toward modernization. Alienation of this group, therefore, will have a deleterious effect out of proportion to its size on any effort toward modernization.

In the pre-industrial society, where age is a positive value, children are subservient to their elders. They are an economic asset to the extended family. Most aspects of the pre-industrial societal structure are congruent with this value, and minimal disruption results. Young persons are dispersed throughout the population, for they remain in their homes and villages, and cannot act with any social force, as they can when they are collected in the cities in organizations such as schools, and in collectivities such as gangs and teams.

But with the advent of the U.S. military programs, complete with hardware, personnel, and most importantly, the western ideology, new ideas and technologies were available for inspection, discussion, learning, and adopting. The U.S. military personnel are particularly vocal, moreover, about the blessings of the western technology, and usually equally contemptuous of the non-industrial state of affairs in countries like Ethiopia where they may be stationed. Military personnel are also predominantly young. Their sumptuous level of existence is not lost upon the local population, especially the young, who then contrast this existence with the prospect of their own, should their situation continue the same. In fact, the military in Ethiopia lived much better than any other of the U.S. citizens that lived and worked there. They had their own commissary, which had all the foods available in the U.S. supermarkets, they brought in their own cars, which in themselves created great excitement among the populace; they had

---

[3] At this point in time, Africa has the highest birth rate of any of the major land areas of the world. See Molnos, Angela. Development in Africa - Planning and Implementation. Ford Foundation Circular #3, April 1970. Part II, p. 20.

housing allowances which enabled them to live in some of the best houses in the city, and they were able to employ a large number of servants. All this largesse was available from the highest ranking to the lowest ranking member of the U.S. military, and when observed by the local populace, made a profound impression upon them.

The ideology of the high standard of living is possibly the most powerful that has yet been developed, and when combined with the missionary zeal for its dissemination by U.S. military personnel, and the eagerness of the young people of the developing country to accept it, something must change. The important point here is that military personnel from the United States, even though they are ostensibly in the foreign land only to care for the mission there, do carry out a missionary function by spreading their ideas about the appropriate way of life to the local population, especially, as has been stated above, the youth.

The western rational, scientific ideology which the military espouse states that man can know his world, that this world is orderly, that if man studies his world, he can manage it and exploit its resources to his own ends. By contrast, most adult Ethiopians believe that the world, including man and his society, is created by God, maintained by God. Man's task is to ascertain God's plan for the world, and then follow it. Young persons have no right to question these assumptions, but should believe what they are told by their parents, priests and rulers.

The western ideology is activistic, rebellious, individualistic. In contrast, that of the majority of adult Ethiopians is passive, collectivistic, conformistic. When young persons learned of these ideas new to them, this created a certain amount of conflict in them. Furthermore, if they attempted to behave in accordance with these new ideas, they found themselves in conflict with the major organizational units of the society, such as the church, the family, the economic system, government; those structures that existed in large measure to maintain the strength of the then current ideological, stratification, and power systems of the social order. When young persons stated that these institutions were not performing to support the new ideas they espoused, or their proposed techniques for utilizing more effectively the resources of the country, these young persons raised inevitable fears among those who strove to keep things as they were, and who resisted the implications of change for all the sectors of the social order. Therefore, since the voices of the young persons were not heard, they either withdrew into their own subcultures, or became strident in their criticism, and radical in the changes which they advocated. Seldom did they retreat into the beliefs and behavior to which their elders subscribed.

Of course, the situation becomes further complicated because it was by no means lost upon the rulers of Ethiopia that the United States has tremendous power because of its advanced technological system. They longed to remain as powerful as they could, and were not without threats both from internal as well as external sources to the maintenance of that power. So, the rulers were eager also to adapt the western technology to their own ends. One of the first things they

were told, especially the Ethiopian military personnel, was that for a man to be technologically proficient, he must have education. In fact, the men who now rule Ethiopia were among the earliest to be educated by the U.S. military in the late 1950's and the early 1960's. They were sent to military training schools in the United States during this period, and then came back to modernize the Ethiopian army. They also came back with ideas about how their countrymen should live, how rulers should behave, how industrial capacity should be developed, how resources should be distributed. This, it turned out, was knowledge dangerous to the status quo.

The ruling class was not slow to grasp that for their power to be enhanced, they must modernize. But to modernize, they must teach the populace how they should live for this to be accomplished. So, a massive public education program was begun from grade one through the university, to create a manpower pool of technically proficient members of the society to carry out this task of modernization. Since it is difficult to change the ways of the adults, because they have a stake in things as they are, and are not amenable to the control that needs to be exerted in educational activities, the programs concentrated on the young.

Elementary schools up to grade six were initiated in most local communities, and young persons lived at home while attending these schools. But following grade six, those who persisted in their education had to live in the nearest city where the more advanced facilities were located. This meant that they had to leave home, live with their peers in some kind of dormitory arrangement, and be freed from the influence of their family, and the local elders.

It is the cities that have always been the spawning grounds of social change, and the situation in Ethiopia was no different. It is the urban youth in Ethiopia that were the concern of the authorities. It is the urban youth that rebelled and experimented with western strategies; not the rural youth that form the bulk of the population. It is in the city where the young people could escape the tyranny of the extended family, could congregate in schools where they are the majority in a cultural as well as in a social psychological sense. It is because of this loosening of the hold of the traditional social institutions on young people that they were able to identify with their kind, develop their own class and subculture, and look at the world in their own terms. Thus, they were able to take positions in relation to themselves and their world because of antecedent changes that operated to make this possible. In turn, this situation set up considerable incongruencies, from which arose the challenges of youth to the status quo.

Certainly, educational efforts of the modernizing African states were not set up to result in the disaffection of those to be educated. These efforts were initiated to further the cause of modernization, to build a manpower pool by which modernization could be accomplished. When one of the most visible immediate results of this immense committment of resources was the rebellion and radicalization of youth, the leaders of these nations became somewhat disillusioned

with results of these efforts. Both the indigenous and foreign advocates of change failed to understand that change, when it did come, was not even, was not readily more functional than previous modes of social behavior, occurred in some sectors of the society before occurring in others, and above all, was resisted by the current forms of social organizations as long as these forms had any effective hold upon the individuals of the society.[4]

Culturing borrowing, and imposition, when done, is seldom even attempted to be tailor made to the requirements of the borrower, either by the borrower, or by the exporting faction. The educational system in Ethiopia is a case in point, (including that portion of it concerned with the training of social workers.)[5, 6] In the first place, since it is a direct transplant from the United States, its objectives are not clear as they relate to Ethiopia. Does the elementary level of educational development aim at universal education? If so, to what end? Does the secondary level aim to be somewhat selective, and build a base of the technical manpower pool? If so, with whom, and for what technologies? And just what are the aims of the university? To develop a status organization that can compete with foreign organizations, copy foreign patterns; or to turn its attention to the building of a manpower pool that will be committed and prepared to do the job of modernization of the nation? What planning between education and the other sectors of the society - such as welfare functions - is going on to give cues as to what tasks must be accomplished, how resources can be allocated to accomplish priority tasks, and just how manpower can be trained, in sufficient numbers to carry out these tasks?

The inability of men to control the course of change in modernizing societies leads to problems such as the one under discussion in this paper. Educational programs are seldom introduced to be relevant to the requirements of the modernizing society. Western medicine is seldom introduced accompanied by population control measures. Economic planning seldom coordinates the development of the agricultural and the industrial sector. Welfare programs seldom take into account the mass rather than the individual nature of social problems of development.

---

[4]At the same time that Emperor Haile Sellassie I, then the Chancellor of the Ethiopian national university, made his commencement speech to the graduating seniors in July, 1969, reciting the challenges to them for development, 500 students, 10% of the student body, were languishing in jail, a postscript to the riots then occurring at the university.

[5]Schenk, Q. F. "The Welfare Function in Ethiopia". Proceedings, Seminar on the Reassessment of Social Welfare and Related Manpower Needs in Ethiopia Haile Sellassie I University Press, 1969.

[6]Schenk, Q. F. Final Report, Committee for the Study of the College of Social Sciences and Development Administration Haile Sellassie I University Press, 1970.

Military programs seldom take into account domestic implications. Young people are usually the first to realize the irrelevance of their education, the frustration of being overwhelmed with too many of their own age group, the inattention to problems of rural areas as modernization is attempted, and the preoccupation with problems of the individual sick, crippled, poor, to the neglect of the attack on the factors in the society giving rise to these problems. If young people see few attempts to rectify these inequities which affect them as much at first hand as any group in the social order, they will fail to understand the value of modernization, and the relevance of individual enterprise in their lives, inhibiting them from investing themselves in the efforts to modernize as they are exhorted to do by those holding power at the time.

Alienation of youth is a universal phenomenon in states in sub-Saharan Africa, all of whom are attempting to modernize their production and distribution systems. This alienation is a novel situation with which the national leadership of these states must deal. Their reactions to this alienation often provoke measures that exacerbate and prolong the condition, leading to extreme measures on both sides. The challenge of the appearance of the subculture of youth to these nations is not to eliminate it, which is impossible, but to use it to further progress, and as preparation for leadership for development.

Any prolongation of the age at which young persons are readmitted into the adult mainstream of the social order will aggravate their feelings of marginality, and thus further the development of a separate subculture. Since this subculture is set up to defend against the adult society, its characteristics will be negative in reference to the adult world. Thus, the sooner the adult society can absorb these young persons into their own structures, the less will be the degree of alienation of this portion of the society, and the less the disruption and tension that will result. However, this can only be accomplished if the economy can absorb those qualified to enter it; if the educational system is organized to prepare appropriate numbers for appropriate tasks; if the family and the religious institutions instill values in the young that will commit them to the modernization of the society; and if the political and welfare systems can oversee the planning, the coordination; and develop quickly enough the administrative efficiency to integrate all the disparate social elements required for development.

In most cases this cannot be accomplished, for change in developing countries does not proceed evenly any more than it does in the industrialized countries of the world. It is often easier to introduce new activities in a country than it is to modify existing ones, and this important fact often is the basis of the alienation which this paper addresses. Education in the organized sense did not exist before extensive western incursions into Ethiopia, so it was relatively easy to develop. But religious, political, and distributive systems did exist, with all their supporters among the leaders and the powerful who retained their power and leadership by maintenance of things as they were.

When the rulers realized what kind of monster they had created in their midst, one which threatened their very existence, they naturally became disenchanted with the results of the efforts to modernize, especially as it was reflected in the school system. It was here that the struggle localized itself. The focus became the political rulers, the clergy, and the elders of local communities against the students. Riots became common at the university at Addis Ababa, in the large high schools in headquarter cities in the outlying regions. Force was used on both sides, schools were closed, and students were killed, injured and incarcerated. Alienation was engendered and intensified on both sides, and something had to give.

The retreat of the old ruling class from its former enthusiasm for modernization meant also that it had some misgivings about further modernization of the armed forces. When this occurred, both Ethiopian as well as U.S. military personnel became alarmed, for it meant a lessening of their power and influence, as well as the standard of living of the local military. For the U.S. military it could mean the lessening of control of the defense of the country, which in turn could mean the lessening of control of power in the area to further its aims as an arm of U.S. foreign policy. With these two very powerful forces also alienated from the old ruling class in addition to the youth, the days of the political status quo were numbered. The only question was not whether a revolution would happen, but when it would take place, and in what form.

It is now apparent that the United States educated Ethiopian military personnel have seized the political power, but their important preoccupation is still to develop the means to control the alienated youth. In order to do this, as stated above, they must find the means to integrate the youth into the main stream of the culture. In a modernizing society this is a herculean task, for there are not the automatic forms of control yet developed that exist in our own society to coopt the dissidents and make them work for the major values of the society. But, if the current regime cannot accomplish this task, then it too is doomed to be replaced, for the youth of Ethiopia are too numerous, too well organized, and presently still enough alienated to be ignored. Youth of Ethiopia, then, constitute a major problem in maintenance of societal stability when that society is in the process of technological development.

During the years that the author lived in Ethiopia, he was haunted by the ethics of exportation of the ideology of technological development, especially as it took place in such uncritical, ethnocentric, and aggressive form, principally by the U.S. military personnel residing there. It is the contention of the author that the military as an important arm of the United States is responsible for initiating what is going on in Ethiopia today. It was a major factor in exporting the ideology, the knowledge, the artifacts, of technology that led up to the instability that ensued and that still exists.

Is this by-product of our foreign policy and our committment to military strength functional or dysfunctional to the parties to the process, both in the long and the short run? Could more positive results have been achieved with other

initiatives such as tailor making programs which the Ethiopians could apply themselves; letting them develop their own technology in reference to other industrial nations rather than to our own; or, permitting them to live as they had been doing for centuries, if this is what they wished.

The core of the issue that disturbs the writer is that there did not seem to be self determination of the Ethiopian people in relation to modernization. If left alone to make their own decision, perhaps they would have decided to modernize, but then the writer is certain they would have done so at a much slower pace, with less instability, and possibly with technological assistance from other developing countries that had recently been through the problems which Ethiopia now faces.

The writer would like to have seen what direction and form technological development would have taken had the United States been oriented toward welfare rather than warfare in reference to its assistance to Ethiopia.

BIBLIOGRAPHY

Comhaire, J. and Cahnman, W. How Cities Grew Haile Sellassie I University Press, 1967.

Ginsberg, E. and Smith H. Manpower Strategies in Developing Countries Columbia, 1967.

LaPiere, R. Social Change McGraw Hill, 1964.

Lenski, G. Power and Privilege McGraw Hill, 1966

Levine, D. Wax and Gold Chicago, 1965.

Molnos, A. Development in Africa - Planning and Implementation The East African Academy Research Center, Nairobi. Information Circular #3, April, 1970.

Schenk, Q.F. "The Welfare Function in Ethiopia" Proceedings, Seminar on the Reassessment of Social Welfare Needs and Related Manpower Needs in Ethiopia. Haile Sellassie I University Press, 1969.

_____ Final Report, Committee for the Study of the College on Social Sciences and Development Administration Haile Sellassie I University Press, 1970.

_____ Some Observations on International Voluntary Services Community Development Seminar, Economic Commission for Africa, 1969.

HUMAN SECURITY OR NATIONAL DEFENSE: THE QUESTION OF CONVERSION

by Bruce Birchard
Philadelphia Yearly Meeting Friends Peace Committee

How can we convert the enormous human, financial and technological resources currently committed to military illusions of "national security" to programs and institutions which provide real human security? That is the central question of this paper.

Our military spending is excessive. The amount of money required for the military defense of the United States is a controversial matter, but many experts have estimated that less than half of our current military budget would suffice. In 1972, George McGovern proposed paring the military budget to $55 billion by 1976. In 1971, The National Urban Coalition, in its book, Counterbudget: A Blueprint for Changing National Priorities (Benson and Wolman, 1971), argued that a military budget of $50 billion would be adequate in 1976. If we eliminated all forces designed to project American power abroad and prepared solely for the military defense of the territorial United States, military expenditures could be lowered still further. Shifting to a nonviolent defense strategy would probably lower the cost even more (cf. Boserup and Mack, 1974).

When the war in Southeast Asia ended, most Americans expected quite reasonably that the military budget would decline. In 1967, Charles L. Schultze, then Director of the United States Office of the Budget, estimated that the fiscal dividend accruing to the United States after the termination of the Southeast Asian war "should lie in the range of $35 to $40 billion," and that this fiscal dividend should be used to help solve the problems of poverty, provide full employment, an expanded health care and social security program, and perhaps reduce or redistribute taxes (Schultze, in Gordon, 1968: 16, 19). In actuality, the government posted a deficit in budget receipts over outlays of $3.5 billion in 1974. The deficit is expected to rise to $51.9 billion in Fiscal Year 1976, according to government estimates. Each year since 1968 the national budget has increased with ever larger appropriations for the military. President Ford asked for $107.4 billion for the defense budget in 1976. This is over $15 billion more than in fiscal 1975, the largest peacetime increase in the history of the nation. For fiscal 1978, according to the New York Times of September 15, 1976, the Pentagon is seeking a military budget of about $130 billion.

Although companies such as Rockwell International, one of the big ten in the military contracting business, claim that military spending has decreased from 58 percent of federal tax revenues in 1955 to 29 percent in 1975 (Rockwell Interna-

tional, 1975), the truth is somewhat different, as Table 1 shows.

Table 1: Breakdown of the Proposed FY 1976 Federal Budget, Excluding Trust Funds, by Spending Category (Source: Friends Committee on National Legislation Newsletter, March, 1976).

Category of Spending	Amount	Percentage of Total
Military Spending: includes 75 percent of the interest on the national debt and veterans' benefits.	$132 billion	49%
Human Resources: includes education, training, employment, social services and health programs.	51 billion	19%
Other Non-Military: includes environment, energy, natural resources, housing, community development, 25% of the interest on the national debt, science, space, international affairs, law enforcement and justice, government, revenue sharing, commerce and transport.	61 billion	23%
Income Security Programs: includes food stamps, unemployment and disability insurance, old age retirement and several small programs (e.g. black lung benefits).	24 billion	9%
Total	$268 billion	100%

There has been a slight decrease in the percentage of the federal budget committed to the military, mainly because of the growth of income security and human resource programs since 1955. The portion of the controllable federal budget, however, is far higher than the 29 percent claimed by Rockwell International.

Rockwell and other Pentagon supporters are able to claim that the proportion of the federal budget spent on the military has decreased dramatically only because the federal government began including federal trust funds (notably Social Security Highway, and Railroad Retirement Trust Funds) in the federal budget totals in 1968. Trust funds should not be lumped together with other, controllable federal budget expenditures since trust funds are made up of our money, collected through special taxes and held in trust for us by the government. If we remove these funds from the figures for the federal budget, as has been done in Table 1, military spending still consumes 49 percent of the administratively controlled federal budget.

In the pages that follow, I shall explore several fundamental questions about conversion and human security. These questions fall into four areas: 1) the benefits of converting the military-industrial complex to production and services meeting human needs; 2) examples of successful economic conversion, which demonstrate its technical feasibility; 3) an assessment of the obstacles to conversion from "liberal" and "radical" perspectives; and 4) consideration of strategies for change. In the latter context, I shall report on some tactics adopted by the national campaign to stop the B-1 bomber.

The Domestic Benefits of Conversion

In addition to possible international benefits resulting from conversion (decelerated arms race, decreased national reliance on violence to solve international conflicts), at least three domestic benefits are likely to accrue to the American people from a major conversion program: 1) more money, production and services for meeting human needs; 2) increased employment opportunities; and 3) a reduced rate of inflation. I shall examine each of these benfits in turn.

More money for meeting human needs

Much federal money could be converted from the military to the human services portions of the federal, state and community budgets. For example, The National Urban Coalition's Counterbudget details the programs that could be supported in health care, housing, mass transit, rural development, agriculture, environmental control, education, law enforcement and criminal justice.(Benson and Wolman, 1971). Seymour Melman, in The Permanent War Economy (1974), gives the costs of dozens of questionable military projects and describes city, state and federal human needs programs of equivalent expense that have had to be terminated or were never started due to lack of funds.

The average thirty-year cost of the $92 billion B-1 bomber system alone to each congressional district in the United States would be $210 million. A study by the Peace Conversion Task Force at LaSalle College in Philadelphia indicated that, if the B-1 program were terminated, any of the following needs could be met with the $210 million saved by each congressional district.

Table 2: Socially Useful Expenditures Equal to the Average Thirty-Year Cost of the B-1 Bomber System to Each Congressional District (Source: Peace Conversion Task Force at LaSalle College, 1976).

Socially Useful Program or Service	Approximate Cost
Provide fifty percent of the costs of child care for 9,300 children for thirty years.	$210 million
Pay the operating expenses of a new high school level skills center providing vocational training for 800 students per year for forty years.	210 million
Operate twelve 600-pupil middle schools for thirty-five years.	210 million
Finance the construction of 11,000 new low-cost family homes.	210 million
Operate seventy neighborhood paramedic units for thirty years.	210 million
Purchase 300 new subway cars.	210 million

The elimination of this one costly weapon could help many communities meet the needs of their citizens more adequately.

One area of the federal budget bears particularly close scrutiny with regard to the military/civilian spending balance. This is the federal investment in research and development. Such spending amounts to only 15 percent of federal expenditures, yet its importance should not be underestimated since it directly affects future investment and production.

In 1976, $23.5 billion was budgeted for the Federal Research and Development Program. Only one fourth of this amount was for programs strictly oriented to meeting human needs. Of the 1976 total, $10.6 billion (45 percent) was for the military, $3.5 billion (15 percent) for space, $4.3 billion (18 percent) for the Energy Research and Development Adminstration (E.R.D.A.), and $5.1 billion (22 percent) for all other agencies (Priorities, March, 1976).

Some of NASA's space work and E.R.D.A.'s energy research either directly or indirectly help meet human needs. The space effort, for example, may yield important "spin-offs" in the fields of medicine and solar power. E.R.D.A. is conducting research on various energy technologies. Nevertheless, the largest item in the E.R.D.A. programmatic budget for 1976 was $873.5 million (20 percent of the total E.R.D.A. budget) for producing new nuclear weapons (Priorities, March, 1976).

Seymour Melman estimates that one half to two thirds of all American research scientists and engineers are working on military-oriented technology (Melman, 1972). Conversion should include shifting research and development funds into areas in serious need of technological development such as mass transit, solar power, low-cost housing, environmental protection and health care.

The devotion of such an inordiate share of our resources to the military has led to the stagnation and depletion of many of our once-strong civilian industries. According to Melman, many U.S. civilian industries (e.g. electronics, machine tool, railroad, textiles and consumer products such as sewing machines, cameras and typewriters) are not only failing to compete abroad but also losing the domestic market to foreign competition (cf. Melman 1970 and 1974). Until the 1960's, these industries remained competitive, despite higher American wage scales, because of higher productivity due to continued technological innovations. Conversion would bring the necessary funds, brains and skills to these industries, helping us to meet many of our people's needs for better products at lower prices.

Changes in the economic relationships advocated in radical conversion plans also are aimed at meeting human needs more fully. New forms of ownership and management involving worker and/or community control might encourage a stronger orientation to meeting the needs of surrounding communities. Conversion to a socialist system, which emphasizes planning to meet the needs of its citizens rather than making the highest possible profits, would both lessen the pressures for military spending and increase spending on human security, according to radicals. (See the section on "Obstacles to Conversion: The Radical Critique" in this paper.)

Increased employment opportunities

Another benefit of conversion would be the generation of hundreds of thousands of jobs for the people of the United States. This contradicts widely-held assumptions that military spending is good for the economy and for employment in particular--an assumption which is buttressed by corporate and Pentagon propaganda but not supported by the facts.

The Bureau of Labor Statistics of the United States Department of Labor (BLS) provides the most comprehensive information available on the U. S. economy. The BLS finds that one billion dollars spent on military sectors of the economy creates 33 percent fewer jobs than would be created by increased personal consumption resulting from a tax cut. Specifically, one billion dollars invested in the military generates 75,710 direct and indirect jobs, whereas a one billion dollar tax cut would generate 112,363 jobs (BLS, as quoted in Priorities, June, 1976).

After analyzing the relationships between 132 different industrial sectors of the U.S. economy, the Bureau of Labor Statistics was able to demonstrate what demands would be made upon each sector of the economy by spending in a particular area. Analysts know how many jobs are generated per dollar spent in each sector; therefore, they are able to predict how many jobs would be generated by expenditures in various industries and services. Table 3 summarizes their findings.

Table 3: Direct and Indirect Jobs Generated by One Billion Dollars in Final Demand in Various Economic Sectors (Source: Bureau of Labor Statistics, as cited in Priorities, June, 1976).

Economic Sector	Mean Number of Jobs Generated per Billion Dollars of Final Demand
Military: includes aircraft, electronics, ordnance, missiles, petroleum products, shipbuilding and repairs.	76,000 jobs
Machinery: includes farm, metal-working and general industrial machinery.	86,000 jobs
Government: includes state, local and federal.	87,000 jobs
Transportation: includes railroad, local and inter-city transit and transportation equipment.	92,000 jobs
Construction: includes new residential, non-residential, public utility and highway construction as well as maintenance and repairs.	100,000 jobs
Personal Consumption: resulting from a $1 billion tax cut and including retail and wholesale trade, food products, motor vehicles, clothing, petroleum products, communications and personal service sectors.	112,000 jobs
Health: includes services, hospitals and instruments.	139,000 jobs
Education: includes educational services.	187,000 jobs

According to the Bureau of Labor Statistics, a $10 billion shift in government spending from military to other areas of the federal budget would result in "a net increase of 245,420 job opportunities" (BLS, 1975: 110).

A similar conclusion was reached by the Public Interest Research Group in Michigan (PIRGIM). Their findings are reported in detail in the article by Marion Anderson appearing elsewhere in this issue. PIRGIM calculated that the $80 billion military budgets during the 1968-1972 period cost Americans 840,000 jobs each year. Simply returning that $80 billion to taxpayers via a tax cut would have ennabled them to spend more on such items as clothing, food, homes, services, education and their state and local governments. This would have generated 840,000 more jobs per year than would have been lost due to the complete termination of the military (PIRGIM, 1975).

Another investigation, by the Center for the Continuing Study of the California Economy, indicated that conversion would not be as drastic a blow to the California employment picture as generally believed. Their report states that California--which receives 15 to 20 percent of all Department of Defense contracts and gains more jobs from military spending than any other state except Texas--would suffer a mere one percent increase in unemployment if military spending were cut by 50 percent over a ten-year period, even if no compensatory programs were initiated! (Priorities, June, 1976).

Finally, a study by Chase Econometric Associates, a Chase Manhattan Bank subsidiary commissioned by Rockwell International to analyze the economic impact of producing the B-1 bomber, found that alternative government expenditures or a tax cut would generate more jobs than the B-1 program. The Chase study indicated that an equivalent government expenditure on housing would generate 67,000 more jobs than B-1 production, a public works program 40,000 more jobs, and a tax cut 19,000 more jobs than B-1 production (Adams, 1976).

Why is military spending so unproductive in generating jobs? Most military work is very capital-intensive. The cost of materials is high, as exotic metals are needed for alloys and tremendously sophistocated technology for production. Salaries in military-oriented companies are high. According to a 1962 Department of Labor study, 59 percent of the employees in military-oriented electronics firms were highly paid engineers and executives, while only 30 percent of the employees in civilian market-oriented electronics firms held these positions (as reported in Reich and Finkelhor, 1972: 185).

Most contracts for military goods are let on a cost-plus basis, and relatively few are decided solely on the basis of competitive bids. In a cost-plus contract, the government guarantees the corporation a profit on the item produced equal to a certain percentage of the costs of producing that item. If a corporation makes every effort to cut costs and increase productivity, it may be able to produce, say, tanks for $500,000 each. If the government guarantees a 10 percent profit on costs, the company will make $50,000 on each tank. On the other hand, if it builds new laboratories, adds elaborate equipment, pays higher salaries to its

managers and encourages inefficient production practices, its costs may rise to $750,000 per tank, and the company will make $75,000 profit on each one. This encourages higher costs, of course, for the greater the costs, the higher the profits. Such high costs and profits decrease the amount of money going for jobs under military contracts.

Thus, by its capital-intensive, inefficient nature, military spending swells the unemployment rolls rather than generating jobs that are needed by millions of our citizens.

Overcoming inflation

The third benefit of conversion for the domestic economy would be the amelioration of the high rate of inflation. Many economists have argued that military spending is a prime cause of inflation. Melman, for instance, stresses that military spending buys products which immediately leave the marketplace. They have no "use value"; they can neither be consumed nor used in the production of other goods. The machinery, materials and power that are used in military production come from other segments of the economy which, however, receive nothing productive in exchange. This puts an upward stress on the prices of all goods (Melman, 1972: 315-316).

Another economist, Edward S. Herman, finds that military spending contributes to inflation in several ways:

1. Deficit financing: In order to hide the high cost of military weapon systems and wars from the public, Congress, under pressure from the military-oriented corporations and the Pentagon, often approves the expenditure of billions of dollars on the military which are not covered by tax revenues. As a result, the federal deficit rises and inflation increases.
2. Reduced social output: For every billion dollars spent on the military, there is a billion dollars less for meeting the demands of citizens for better housing, parks, environmental protection, schools, and services. Says Herman:

> In recent years, governments have not had enough revenue via politically feasible tax collections to expand (or even maintain) social services to meet the needs of a growing population, so that they have had to borrow (i.e. run deficits)....And workers have not had a satisfactory growth of income given the direct tax drain to finance a part of the war, plus the indirect inflation tax, so we have had pressures for many wage increases in excess of productivity, with further inflationary consequences. In brief, the drain into military boondoggles has reduced the output available for constructive social expenditures and real wage increases, and thereby indirectly contributing to increased deficits and more rapidly increasing money wages, both accelerating price increases (1975: 12).

3. The technology drain: As noted earlier, the heavy drain of scientific and engineering talent into military research and development has made U.S. civilian industries less productive, and this contributes further to the "reduced social output effect" on inflation.

4. The corruption drain: The military-industrial complex includes corporate executives and presidents, Pentagon brass and key politicians who work together to meet each others' needs (exchanging personnel, making campaign contributions, awarding cost-plus contracts, locating bases and weapons contracts in key Congressional districts). High rates of guaranteed profits, cost overruns and high prices for the materials required and the items produced all contribute to inflation.

Conversion from military production to production and services meeting human needs, particularly if a "social-industrial complex" is not created in the process, should therefore decrease the inflationary pressures in our economy.

The benefits of conversion should thus include an increase in the funds available for meeting human needs, an increase in the number of jobs for Americans seeking employment and a reduction in the rate of inflation.

The Technical Feasibility of Economic Conversion

If the benefits would be so substantial, we should consider whether or not conversion is technically feasible.

One of the early conversion success stories comes from Alabama in 1933. The Muscle Shoals Nitrate Plant had been an important source of munitions for World War I. In 1933 it was turned over to the Tennessee Valley Authority and developed into a center for research on and development of fertilizers.

On a larger scale, much of American industry converted to weapons production at the outbreak of World War II, then re-converted to civilian production at the end of the war. Over 75 percent of the automobile industry, for instance, switched to the production of tanks and armored vehicles in 1940, then returned to making automobiles in 1945.

This re-conversion was facilitated by long and careful planning on the part of government and industry alike, for re-conversion was accepted by those in power an urgent national priority. Pent-up consumer demand and the long experience of the converting firms in the civilian market also contributed to the success of the effort.

Can careful planning lead to successful conversion today? Ironically, the most substantial contemporary program of conversion is guided by the Department of Defense. Since the Department of Defense is frequently obliged to close federal military bases, and since they wish to minimize the impact this has on the surrounding communities (partly for obvious public relations reasons), an Office of Economic Adjustment (OEA) was opened in 1961 to help communities whose economies were adversely affected by the closing of federal military installations. In 1975, I visited the OEA office at the Pentagon and talked extensively with one of their regional directors.

The Office of Economic Adjustment is the staff arm of the President's Inter-Agency Economic Adjustment Committee. It is comprised of some twenty multi-disciplinary professionals plus supporting staff. Upon notification that the Pentagon intends to close or significantly reduce work at any of its installations, the OEA notifies appropriate officials in the affected community of the assistance they can give. If the community requests their help, the OEA works with community leaders to initiate a study of the impacted area and create a community task force. This group, with some advice from the OEA, then develops a comprehensive plan for the conversion of surplus Defense Department property to civilian usage and/or the development of other economic potential. Such a plan may provide for: 1) needed community facilities, such as a vocational-technical institute, college, hospital, sewage treatment plant, airport or recreation center; 2) a more diverse industrial base by developing a new industrial park, making surplus military buildings available for industry, providing the requisite servisec for new industries (e.g. increased water supply, improved access to highways), advertising pre-existing inducements to industry or developing them when necessary (e.g. a tool-making plant); 3) job training to upgrade or enhance the skills of local workers; 4) assistance to small business people; and 5) the development of tourism or recreation potential.

The Office of Economic Adjustment is especially concerned with generating employment to compensate for the loss of civilian jobs due to the closing of a Department of Defense installation. According to the "Summary of Completed Major Adjustment Projects, 1961-1973," the OEA has reviewed its assistance efforts in nearly one hundred and thirty communities since 1961. The impact of realignment and closures in these communities ranged from the loss of fifteen to twelve thousand civilian jobs. The loss of military personnel and income added to the economic dislocation in many areas. Taken as a whole, in the sixty-one communities in which the OEA had terminated its assistance by 1973, 82,000 civilian jobs were lost due to Department of Defense cutbacks. In executing their conversion plans, however, these communities have generated 162,000 new jobs. This is a 2 to 1 ratio of jobs generated to jobs lost. Only seven of the sixty-one communities affected lost more civilian jobs than they gained.

One of the communities hit most suddenly by the closing of a military installation was Salina, Kansas. In November, 1964, the Pentagon announced that the Schilling Air Force Base near Salina would be closed seven months later. A total of 4,700 military and 327 civilian jobs would be lost. Quick action by the community involved planning civilian uses for the base and acquiring the federal property and $1 million of equipment at substantial discounts. Within one month of the base closing, a new vocational school and the Kansas State Patrol Academy opened in former base buildings. Much of the acreage was developed for industry. The OEA report states:

> Seventy-three businesses and other non-defense related activities on the former base property now employ 3,050 people--almost ten times the number of civilians employed by the Air Force there. Within just one year after closing, private sector employment had replaced all jobs lost (The Defense Office of Economic Adjustment, 1975: 34-35).

By 1966, Salina was able to renovate a portion of the old Air Force facilities and begin operating them as a municipal airport, covering the costs with receipts from the industrial property on the former base.

The OEA's "Summary of Completed Major Adjustment Projects" concludes by stressing that the communities with which they have worked have succeeded in achieving "a more diversified and growing local economy, new business and industrial firms within the communities, a significant stimulus to the local tax base, and an opportunity to secure new public facilities and improved public services. With few exceptions, the communities have continued their local growth and development long after the immediate adjustment period itself."

Many industries would be affected by widespread conversion. Substantial proportions of them could convert to civilian production with little technical difficulty. Shipyards, which get approximately 70 percent of their work from the Navy, could design and build modern vessels for the outmoded American fishing fleet. Their ability to build large metal structures could be used in fabricating steel mills, oil refineries, desalination plants, pre-fabricated housing, barges, sea-mining equipment and hydrofoils (Shearer, 1973: 6-7).

Airframe manufacturers depend upon the government for at least half of their business. They have skills and machinery needed for the development and production of rail and rapid transit vehicles, low-cost housing modules and small bridges. Aircraft engine production facilities could produce engines for mass transit vehicles, electrical generating plants, gas pipelines and refineries. The electronics industry, also heavily dependent upon the Department of Defense and NASA for contracts, could be doing more work on road, rail and air traffic control devices, medical diagnostic and monitoring equipment and educational aids (Shearer, 1973: 6-8).

One recent example of conversion within the private sector is the Boeing Vertol plant. Located south of Philadelphia, it converted much of its plant from the production of helicopters for use in the Vietnam war to the production of trolley cars as the war wound down. Boeing Vertol is the only company in the country producing trolley cars, or "light rail vehicles," and they have received orders from many cities. Unfortunately, conversion was not planned far enough in advance to avoid firing much of the Boeing Vertol workforce, despite the efforts of the United Auto Workers Local 1069 to interest the Boeing management in converting to the production of low-cost modular housing units. "Think how many housing units we would have to build to make as much money as we do on one helicopter," a Boeing executive was reported to have told John Taylor, then president of the United Auto Workers Local 1069 (Philadelphia Bulletin, 2/9/71: 3).

Since consumer demand today is not what it was in the post-war period, military industries cannot expect to find substantial untapped markets in consumer goods as they did in the late 1940's. Melman, in his study of alternatives to military markets for converted military-oriented industries, found that the promising new markets were primarily in the areas of largely neglected public responsibility,

including mass transit, housing, water supply, refuse disposal and recycling, environmental protection and health care (Melman, 1965).

These markets require considerable production of goods such as mass transit vehicles, modular housing, water purification and delivery systems, recycling machinery, and medical prosthetics and monitoring devices. Meeting these needs would also generate demand for personnel in the service sectors of the economy. Since some highly specialized industries and portions of some less-specialized firms could not find sufficient markets for non-military goods to keep all their employees working, however, conversion plans must provide for substantial retraining and relocation of employees of military-contracting firms and members of the armed forces.

In 1970, Lloyd Dumas published a study entitled "Re-Education and Re-Employment of Engineering and Scientific Personnel" which found that approximately 500,000 scientists and engineers would lose their jobs if military-oriented companies converted to civilian production. According to Dumas, "Almost all of these men and women could, within a re-education period of one and a half years or less, qualify for and find employment in six major areas: high school teaching, construction, pollution, transportation and public utilities, food and related products, and various agencies of the federal government" (as quoted in Melman, 1970).

The most comprehensive conversion plan to reach Congress was offered by Walter Reuther, then President of the United Auto Workers, in 1969. Entitled Swords Into Plowshares, this plan called for a 25 percent tax on military profits, the proceeds from which would be held in a trust fund by a government conversion commission. Any worker who was laid off, down-graded, given a shorter work week or forced to relocate due to cutbacks in military contracts would be compensated with money from the trust fund. His or her income and all benefits would be maintained at a level equal to his/her average for the previous two years.

Money in the trust fund would also be available to corporations which wanted to convert from military to civilian production. To secure funds, a company would have to gain approval from the conversion commission for a detailed conversion plan. The fund would then help the company finance the conversion process. The beauty of the plan is that money for conversion would come from corporate profits, not workers' pockets, in such a way that corporations would have an incentive to convert. Only through converting could a military-oriented company draw upon money in the fund and stop paying the 25 percent tax.

Certain flaws in this plan are obvious. Reuther did not specify how military profits were to be calculated, and corporate members of the military-industrial complex have many ways of calculating profits to make them look small. Equally significant, without a clear process for putting working people and representatives of citizens' groups on the conversion commission, the commission would be dominated by corporate and government power-holders who know all too well how to protect their own interests.

In sum, the study of past conversion efforts--the Muscle Shoals Nitrate Plant, the post-World War II experience, the Office of Edonomic Adjustment projects, the Boeing Vertol facility--indicate that economic conversion is technically feasible. This does not mean that a widespread conversion program in the United States would not be disruptive, for these efforts either involved single plants and communities or, in the case of industry-wide re-conversion following World War II, took place under special circumstances (high consumer demand and the extensive experience of the converting industries in the civilian market). However, the studies and the plans developed by Seymour Melman, Lloyd Dumas and the United Auto Workers strongly indicate that, with careful planning, a major national conversion program could be implemented without traumatic disruptions and dislocations.

Obstacles to Conversion: The Liberal View

If conversion is technically feasible and so many benefits would accrue, why has it not been implemented?

Liberals hold that Pentagon militarists, in collusion with large military contractors and key Congressional figures, have prevented the United States from embarking on the path of economic conversion and reaping its benefits.

Melman describes the military-industrial complex as one large organization with a "state management" located in the Pentagon. This management was rationalized by former Defense Secretary Robert McNamara. During the early 1960's, McNamara organized a number of offices and thousands of people within the Department of Defense to centralize the management of military industry through the allocation of contracts and the policing of ongoing work. According to Melman, the Assistant and Deputy Secretaries of Defense comprise the "board of directors," the Secretary of Defense is the "president," and the President of the United States is its "chairman of the board." This state management effectively controls all significant decisions about obtaining capital, what and how much to produce, the price and distribution of the product and how production shall be organized (Melman, 1972: 313-314).

In Melman's view, the Pentagon controls the military-industrial complex. Therefore, an enlightened citizenry and Congress only need to break the Pentagon's grip upon this large sector of the economy in order to begin the conversion process. With Congressional guidance and careful planning, conversion could then be accomplished with no changes in the system of American capitalism. In fact, Melman sees the system of "Pentagon capitalism" as an aberration in an otherwise sound free-enterprise system.

This is not to say that liberals see no political obstacles to conversion. They stress that the Pentagon-oriented military-industrial complex has developed its own style of operating--a style which will not work in the civilian market. Military-oriented corporations have none of the marketing organization or experience which is essential in the more competitive civilian market. Their sales

effort is designed to deal with one customer--the Pentagon. One well-known aspect of this effort is the employment of former military officers and Pentagon personnel by military-oriented firms. Extensive lobbying of the Congress and Pentagon, outings and vacations for important Washingtonians at corporate expense and other features of the military-oriented corporate sales pitch are well-known.

Conversion from military production to civilian production would thus require a fundamental change in marketing strategies and structures. This change is sure to be resisted by the companies involved. The failure of some conversion efforts stems at least in part from this difficulty, and these failures in turn have strengthened the determination of many corporations to lobby against the change.

Many liberals also recognize the role which military spending has played as a government-controlled Keynesian "balance wheel" in the domestic economy. They argue, however, that other forms of government spending would prove equally effective in regulating demand. Paul Samuelson states simply:

> If there is a political will, our mixed economy can rather easily keep C + I + G [Consumption + Investment + Government] spending up to the level needed for full employment without armament spending.
>
> There is nothing special about G [Government] spending on jet bombers, intercontinental missiles, and moon rockets that leads to a larger multiplier support of the economy than would other kinds of G expenditures (as on pollution control, poverty relief and urban blight) (as quoted in Edwards, Reich and Weisskopf, 1972: 179).

Samuelson notes that there may be a political obstacle to such conversion, and he locates it in "an economically illiterate electorate" which "may less reluctantly use the tools of the new economics for war rather than peace."

Likewise, the National Urban Coalition states:

> High levels of defense spending are not needed to prop up our economy. The huge backlog of other needs is more than adequate to fill any gap in aggregate demand--after appropriate conversion and retraining measures--left by reductions in defense spending (1971: 253).

This and Samuelson's statement indicate a recognition by liberals of an economic obstacle to conversion, namely, the role which military spending plays in generating demand and creating employment. However, they do not see the need for anything more nor less than the political will of the electorate and its representatives to re-allocate government monies to new priorities and help affected industries make the required technological, structural and marketing changes.

Obstacles to Conversion: The Radical Critique

Radicals present a different analysis of the structure of the economic and political system and the distribution of power within the United States. Most insist that the capitalist system requires militarism and high military spending. They argue that capitalism cannot accomodate economic conversion from military to

civilian industries without changes in its most significant features.

Paul Baran and Paul Sweezy, in their classic Monopoly Capital, present the basic argument. (The analysis of the monopoly capitalist system on this and the next page is drawn almost exclusively from Monopoly Capital, pages 27-215). They begin with evidence that, in the present-day American capitalist system, most industries are dominated by a few giant corporations which are much more able to maximize their profits than individual entrepreneurs and smaller companies ever were. Quoting from an earlier paper by James Early, Baran and Sweezy examine the goals of modern corporations:

> The major goals of modern large-scale business are high managerial incomes, good profits, a strong competitive position and growth. Modern management does not view these goals as seriously inconsistent, but rather, indeed, as necessary, one to the other. Competitive strength and even survival, management believes, require large innovations and substantial growth expenditures in the rapidly changing technical and market conditions of the present day....For well recognized reasons, management wishes to minimize outside financing, so the funds for most of these expenditures must be internally generated. This requires high and growing profits above dividend levels. So, too, do high managerial rewards. High and rising profits are hence an instrument as well as a direct goal of great importance (1966: 37-38).

The pursuit of profits is certainly not a new feature of American capitalism. However, the enormous corporations and conglomerates that dominate our present-day economy differ in at least two important ways from individual capitalists and smaller companies: they can operate within a longer time frame, and they are able to calculate more rationally. These factors enable the giants to avoid dangerous risks and adopt a "live and let live" approach to their corporate competitors, particularly within the old, established industries.

Such corporate power and policies have led to a situation in which corporate giants in any one field have an interest in seeing that the profits of the industry as a whole are as large as possible. This restricts price competition. Though direct collusion in fixing prices is rare, "price leadership," often by the most powerful firm, is common. Thus, when U.S. Steel initiates an increase in the price of steel, other companies either follow suit, or U.S. Steel drops its increase. It is highly unusual, on the other hand, for a company in an established industry to lower its prices since, once its competitors followed suit, the result would be lower profits for all.

Rather than competing over prices, say Baran and Sweezy, corporate giants compete in their efforts to cut costs through technological innovations, the control of cheap sources of raw materials (often abroad), and relocating in less developed countries where they can exploit cheap labor pools. They also compete, through advertising and sales efforts, to capture a larger share of the existing or growing market. Little of this competition, however, results in lower prices for consumers.

The result of these policies is the strong and persistent tendency of the economic surplus (profits) to rise. Some of this surplus can be absorbed by the personal consumption of capitalists. However, the historical trend, according to B ran and Sweezy, is for dividends to rise more slowly than profit margins, so consumption takes a steadily lower proportion of corporate profits over time.

Economic surplus can also be invested. However, since corporations will not make investments that lower their profit margins, larger investments generally lead to larger surpluses. This tendency is exacerbated by depreciation allowances which are often sufficient to finance a large part of necessary investments, and by the bias against introducing radicalyy new technologies which would require extensive campital and disrupt established production processes. Thus, accelerating growth eventually outstrips profitable investment opportunities, investment declines, and so do income and employment. A recession or depression begins.

One other avenue of surplus absorption is still open, however: government taxation and spending. This brings us to the question of whether or not spending on human services and civilian industries can serve as well as military spending to generate demand and absorb the economic surplus.

Radicals insist that, within the present-day capitalist economy of the United States, only military spending can sufficiently stimulate the economy. They cite at least three important reaons for this claim. First, only through military spending can government pump massive sums of money into the economy without competing with the private sector. Though spending on human and community needs could absorb tremendous amounts of money and generate jobs and income, powerful interests oppose this. A program to provide low-cost housing to poor Americans would threaten landlords and the construction industry. Rapid transit systems compete with automobiles and hence are opposed by the powerful oil, automobile and associated industries. A government role in providing health care to those who need it is fought tooth and nail by the profit-oriented medical establishment. Examples could be multiplied. The raising of armies and deployment of weapons is unique in that it threatens no private enterprise.

Secondly, the government provision of adequate human services and the maintenance of employment opportunities for all people threatens the business elite. In such a society, business would find it difficult to get workers for low-paying, unpleasant jobs. This would add to their costs and decrease their profits.

Finally, it is only through military spending that government can waste enormous sums of money and yet avoid public criticism. When the Pentagon quietly dismantled its once-controversial Anti-Ballistic Missile system in 1976 after spending $6 billion on it, scarcely a word was heard. Weapons and armies are unique among tax-funded programs in that they can be scrapped as obsolete after ten or twenty years of service. It is hard to imagine investing billions of tax dollars in a mass transit system, then quietly declaring it useless six years later and dismantling it.

The public accepts such waste for at least three reasons: 1) fears about communism have been constantly stimulated and can be easily manipulated; 2) few people can compare the functions of a bomber or tank to something which they use, and, therefore, few can comprehend the absurdity of its high cost; and 3) no one feels that she or he is supporting the needs of someone else at her/his own expense, since the military ostensibly exists to protect (serve) everyone, not just the poor, or the farmers, or welfare mothers.

There is plenty of evidence in recent history for the radical view that military spending alone can adequately fill the need for additional demand in the capitalist economy, given the political constraints inherent in the capitalist system. President Roosevelt's efforts to pull the country out of the Depression during the New Deal only partially succeeded, for even in this desperate situation, capitalist restraints on competitive government spending were too strong to allow for a level of spending sufficient to restore the economy to full capacity. Only the massive spending engendered by World War II could accomplish this.

Radicals also argue that the ability of the United States to project power abroad through a large, heavily armed military is important to many owners and managers of big business. Most corporations oppose foreign governments which favor rapid democratizing economic and social changes (e.g. nationalization of industry, land reform). The corporate elites generally favor more authoritarian governments which guarantee "stability," a "safe investment climate," and freedom from "interference " from labor unions. These governments (e.g. South Korea, Taiwan, Indonesia, Iran, South Africa, Brazil, Chile) are supported by American arms, technicians and advisors.

Since the experience of Vietnam, the United States and its corporate leaders rely less on actual armed intervention (though that threat still exists, as the Angola revolution demonstrated). Rather, say the radicals (and even some members of Congress), the United States is arming client governments to carry out the violent repression of revolutionary forces whose policies would threaten United States investments. The arms industries and counter-insurgency expertise developed by the American military-industrial complex are both necessary to this effort. The fact that most American military spending serves to project U.S. power abroad is no accident. Extensive conversion would threaten this capability.

Domestically, the military-industrial complex brings additional benefits to the business elites who contributed so much to its growth. Hundreds of our largest corporations get a tremendous amount of business and profits from military contracts. Estimates of the profitability of these contracts range from a 1971 Government Accounting Office figure of 56 percent on a sample of 146 completed projects (as reported in DuBoff, 1972: 11) to a figure of 17.5 percent derived by former Assistant Secretary of the Treasury Murray Weidenbaum from a sample of large military contracts let between 1962 and 1965. In contrast, the average rate of return on investment in civilian industry is 10.6 percent (Reich and Finkelhor, 1972: 187).

There are several reasons why profits are so high in military work. For one thing, many military industries are dominated by a few giant corporations which exercise near-monopolistic control over the field (e.g. aircraft, shipbuilding). For another, contracts are seldom let solely on the basis of the lowet bid. A third reason is the practice of contracting on a cost-plus basis, as explained in the first section of the paper.

One reason for high profits in military work deserves special attention. Many military contractors use government-owned plants and equipment in their work. As of July, 1970, over $14 billion worth of industrial production equipment and plants were used by private military contractors. In 1967, General Electric and North American Rockwell (now Rockwell International) held more than $100 million worth of publicly-owned capital goods, according to a General Accounting Office report. The use of these facilities, of course, cuts costs and raises profit margins (Shearer, 1973: 2). Many military companies now calculate their profits as a percentage of sales rather than a percentage of their investment for this reason. Such a procedure makes their profits appear smaller. This violates normal accounting procedures as well as the traditional capitalist view that profits are a return on investment, warranted by the risk involved in the enterprise.

The government subsidizes the military corporations in other ways as well. When Lockheed faced bankruptcy several years ago, the government bailed them out with a guarantee of a $250 million loan. In 1972, the Navy bought $1.7 million worth of stock in the Gap Instrument Company when cost overruns on Navy equipment threatened it (Shearer, 1973: 2).

A final boon to the upper class brought by military business is the generation of more high status, lucrative jobs than civilian business. The proportion of scientists and engineers employed per value of product is one per $150,000 in the military sector, one per $750,000 in civilian electronics industries, and one per $2,000,000 in the automobile industry. Twenty-one percent more of every dollar in military contracts goes to salaries and wages than in civilian-oriented production, and yet, as we have seen, military spending generates fewer jobs (DuBoff, 1972: 14). Military spending thus contributes proportionately more to the wealth of the upper classes than does civilian spending.

To summarize the differences between the liberal and radical analyses of the obstacles to conversion, liberals see the military-industrial complex as a distorted enclave in a potentially sound capitalist economy. They believe that control of this enclave resides in the Pentagon. They argue that spending on human needs in civilian sectors of the economy could generate needed demand just as effectively as military spending and that this could be done with no fundamental change in the overall economic system. Many hold that the blame for not converting lies with the electorate since, after all, ultimate power in our democracy lies with the voting public.

Radicals believe that the military sector of the United States economy is not an isolated enclave. On the contrary, they insist, it reaches deeply into and operates on the same principles and with the same goals as other sectors of the economy. As a result, it is strongly supported by most members of the business and financial elite. The military-oriented sector is not a distortion of the capitalist system, since the capitalist's primary goal is to maximize profits and emlarge the power of their class--a goal which is all too admirably met by military spending.

The radicals also reason that the long-term trend of steadily growing economic surplus resulting from the basic capitalist drive for increasing profits makes some form of government spending necessary. Because the capitalist system rules out substantial government spending which would compete with private interests, only military spending can "fit the bill" in such a large way.

Finally, radicals do not believe that power is distributed in such a way that the public can simply be educated to vote for conversion. Rather, they argue, the upper class of business and government leaders has tremendous power to influence the votes of Congresspeople and the opinions of the American people. No fundamental change, such as economic conversion, can be carried out without re-distributing power more equitably among the people of the United States.

Radicals conclude that significant conversion from military spending to industries and services which meet serious human and community needs is impossible without converting in the process to some form of socialist economic system. A system based on maximizing profits rather than meeting people's needs is structurally and politically incapable of widespread conversion.

Strategies for Change

One's strategies for conversion depend upon whether one accepts the liberal or the radical analysis of militarism and military spending.

Liberal strategies stress the development of conversion plans by government, industry and labor analysts on the one hand and education of the electorate, Congress, unions and industry on the other. Seymour Melman's extensive studies into the conversion process and new markets for military-oriented firms (cf. Melman, 1965, 1970 and 1974) are a good example of this. The work on retraining displaced defense workers reported by Melman's colleague, Lloyd Dumas (in Melman, 1971) is another example.

Most liberals recognize the enormity of the task. Conversion would have to be made a national goal with the full energies of political, business, labor and professional leaders behind it to succeed. The effort would cost much money and create considerable dislocation and difficulty in industries which are accustomed to serving a single customer (the Pentagon) with extensive subsidization and high profit guarantees.

Melman has taken the liberal conversion message to Washington, to industry and to the public. In 1969, for example, he testified on the subject of "Postwar Economic Conversion" before the Senate Committee on Labor and Public Welfare. He stressed the importance of advance planning "not only in private firms, but among trade unions and professional associations of the relevant industries, and in city, state and federal governments" (1969: 9). He urged Congress to begin by passing a bill proposed by Senator McGovern which would have established a federal conversion trust fund. The bill was modeled after the Reuther proposal described earlier in this paper. It called for a federal conversion commission to administer the fund and, in doing so, encourage and facilitate the conversion process.

The radicals' strategy differs from that of the liberals in at least two important respects: 1) Radicals believe that a successful conversion strategy must include the development of publicly-owned and controlled service and production industries and a transition to a socialist economic system. 2) Radicals insist that we must organize a mass base for conversion in order to counter the power of the ruling elite, whom radicals see as united in their support for military spending.

Derek Shearer, writing in Working Papers (Summer, 1973), stressed the need for planning that includes "government spending to serve as a Keynesian balance wheel in the economy." "I propose," he continues, "that these plans and programs should be based on the notions of community controlled economic development and publicly-owned production authorities at the state, regional and national level (1973: 2).

Strategically, this may sound like a retreat from radical calls for total revolution. It stems, however, from a realistic appraisal of the current situation in the western world. During the past decade, some radicals expected the capitalist system to topple from the weight of Vietnam, inflation, unemployment and unmet human needs. Today, most radicals conclude that, whether or not the system finally collapses from its internal contradictions, the Left must struggle for significant change in the meantime.

In Strategy for Labor, Andre Gorz argues that radicals can work for their vision of a new society through a step-by-step process of "radical structural reforms." Reforms can be revolutionary, he stresses, if they involve a shift in power. Specifically, a revolutionary reform should meet the following criteria (this interpretation of Gorz is based on remarks in an unpublished paper by Paula Giese written in 1973): 1) the reform improves the lot of the working class (or some segment of it) at the expense of the ruling class; 2) the struggle for the reform gets people organized on a mass basis to demand change rather than allowing representatives of the elites to bargain for lesser improvements; 3) the reform is implemented and administered by those whom it benefits; 4) the effort involved in winning the reform brings people together into structures of communication and democratic decision-making; and 5) the struggle raises class consciousness. A strategy for organizing around a series of such reforms would be a truly radical strategy, argues Gorz.

To return to Shearer, he sees the creation of community-controlled, publicly-owned service and production industries as an important revolutionary reform for the United States. Such a program would enlarge the power of non-capitalist groups and institutions in our society. Since hundreds of millions of dollars worth of government-owned plant and equipment are already used by military contractors, why not start there? (Shearer, 1973).

A good example of such a demand is the proposal by the Stop the B-1 Bomber/ National Peace Conversion Campaign to convert the El Segundo plant used by Rockwell International to develop the B-1 bomber. The El Segundo facility is owned by the government. It is located near Los Angeles, which suffers from the lack of a rapid transit system. As indicated earlier, the human and technological resources of an airframe assembly plant are readily convertible to the design and production of mass transit systems.

The Stop the B-1/ Peace Conversion Campaign has proposed that the publicly-owned El Segundo plant be converted from the manufacture of B-1 bombers to work on a mass transit system for Los Angeles. This work should be done under the direction of a new, publicly owned "Southern California Transit Authority." Capital for the enterprise could come initially through a federal grant representing a small portion of the money saved by terminating the B-1 program. Control should be exercised by a board selected by the people of the region or their elected representatives.

United States experience with the Tennessee Valley Authority and publicly-owned utilities can provide Americans with valuable insights into structuring such public control. The experience of many European countries, both western and eastern, can tell us a lot about the advantages and problems of different forms of public control. On a smaller scale, the experiments with community-development corporations and workers' cooperatives should be instructive.

The next step in a radical strategy for conversion could be public acquisition of any private firm (or military sector of a large, diversified firm such as General Electric or RCA) doing 75 percent of its business with the government. Another possible candidate for takeover and conversion is the runaway shop. As many multinational corporations leave their workers and communities in the lurch by shifting production to foreign facilities, their domestic plants could be appropriated by the state or local government.

Many radicals are interested in the concept of worker-controlled industries. Part of their conversion strategy is to develop worker-controlled boards which would oversee the management of the factories or workplaces. Many experiments in worker and union participation in management are urgently needed.

Radical strategies for conversion often incorporate other demands which meet some or all of the Gorzian criteria for radical reforms. Many demand that corporations "open the books." Corporate accounts are among the world's best kept secrets,

as became clear when Congressional committees tried to investigate alleged profit excesses in the oil industry. Although all corporations must release reports on their financial activities, the complexity of their operations and the absence of any clear, standard accounting procedures allows them considerable room to maneuver. Barnet and Muller state that many multinational corporations keep separate books for different purposes. They also claim that government regulators are years behind in understanding complex corporate accounting procedures (Barnet and Muller, 1974).

George Lakey suggests that a conversion campaign draft legislation requiring that every corporation doing more than five percent of its business with the Pentagon open its accounts to the public (1975: 16-17). Such a demand should be coupled with the establishment of standard accounting procedures by the Government Accounting Office. If implemented, a small measure of corporate power would be broken, and the public would be better able to exercise meaningful control.*

The Reuther proposal for a conversion trust fund overseen by a federal conversion commission has also been suggested as an element in a radical conversion strategy. In testimony before the Senate Committee on Labor and Public Welfare in 1969, Walter Reuther, then President of the United Auto Workers, said in part:

> What the outline proposes, in essence, is that a proportion of each contractor's profits from defense production be required to be set aside as a conversion reserve to be held in a government trust fund.
>
> Monies deposited in the trust fund would be released to carry out a conversion plan filed with the government by the contractor and to pay certain types of benefits to the contractor's workers to minimize hardships they might suffer during the transition to civilian production (1970: 17).

In commenting on this proposal, Paula Giese suggests confiscating 100 percent of a corporation's profits on military production, as calculated by standard Government Accounting Office auditing procedures. She also would insist that the conversion commission include working people from affected plants, paid for their time out of the trust fund. In addition to considering the technical and economic feasibility of proposed conversion plans, she believes that the commission should examine the usefulness and desirability of the products to the general public, the "humanizing" of the production processes and the environmental effects of both the new industrial activity and the goods produced (Giese, 1973).

All radical proposals for conversion strategies, like the liberal strategies, begin with the need for education and consciousness raising. The radical process must include an analysis of the present system of monopoly capital and the military-industrial complex, a vision of a more just and democratic society, and ideas about how to get from here to there. Many radicals stress the value of structuring

*For those interested in pursuing this approach, Open the Books: How to Research a Corporation is an excellent manual on how to research your local corporation, corporate subsidiary, bank or real estate company. It is available from Urban Planning Aid, Inc., 639 Massachusetts Ave., Cambridge, MA, 02139.

empowering experiences into the educational process itself (e.g. by making this process a thoroughly democratic one).

As a reflection of its concern for economic and social justice, a radical conversion campaign could enter coalitions with the thousands of neighborhood, city-wide, state and national organizations struggling to meet human needs, establish economic justice, end sexual and racial exploitation and initiate socialism. Such coalitions could struggle within the arena of legislation and electoral politics, through the development of alternative institutions and through nonviolent direct actions.

One campaign which has tried to organize around the issue of conversion is the Stop the B-1 Bomber/ National Peace Conversion Campaign. The American Friends Service Committee and Clergy and Laity Concerned initiated this effort in 1973. It has involved hundreds of organizers in an effort to stop the B-1 bomber (mainly through public pressure on Congress), expose and challenge the military-industrial complex and promote peace conversion. Many of those associated with the campaign held the radical view of militarism and conversion, others a more liberal one. While enlisting the support of tens of thousands of liberal Americans, many organizers tried to introduce a more radical analysis, and sometimes strategy, to the struggle.

In addition to trying to stop the B-1 bomber from going into production, the Stop the B-1/ Peace Conversion Campaign tried to use the B-1 bomber as a means of approaching the conversion issue. Since the B-1 is so costly and ineffective, even in conventional military terms, it has led people to question the system which proposed and wants to produce it. The B-1 program includes many classic features of military contracting: low job generating potential, the drain of billions of dollars ($92 billion) in tax money from pressing human needs, the use of government-owned property, cost over-runs, heavy corporate lobbying and public relations efforts. A campaign to stop the B-1 almost necessarily exposes these.

Most of this campaign's conversion work has been educational. One tactic has been particularly successful. Many campaigners have organized peace conversion fairs, or "Fair Shake Festivals." In the Northwest section of Philadelphia, for instance, a group of neighborhood people and I estimated how much money their community would pay if the B-1 system were built--approximately $19 million. We then approached local organizations with this information and asked them to join us in a Festival to demand a "fair shake" for all. Each participating group prepared a booth in which it demonstrated the kind of work it was doing to meet the needs of the community and how it could use the millions of dollars which could be "returned" to Northwest Philadelphia over the next thirty years if the B-1 program were terminated. Over forty organizations, ranging from peace groups to the Germantown Home and School Association, participated.

The B-1 bomber has proved to be a good "handle" for the conversion issue. As the President and Congress reach a final decision on B-1 production, however, many

organizers are developing conversion programs around local issues or institutions. One such program is the Mid-Peninsula Conversion Project in California's Santa Clara County. Corporations in this county hold more military contracts than those in any other county in the United States. The project is reaching out to disaffected engineers and workers at many of these military plants through leafletting, a monthly newspaper, meetings and support groups. One group of engineers left Lockheed and formed a small solar energy company with assistance from the project.

Many local conversion efforts are being initiated by B-1/ Peace Conversion Campaign organizers. Inquiries about these programs can be addressed to: American Friends Service Committee, Peace Education Division, 1501 Cherry St., Philadelphia, PA, 19102.

As people become more concerned about the power of our enormous economic and government institutions and about the serious human problems in our well-endowed nation, the potential for meaningful change grows. Struggles to meet human needs, establish sexual, racial and social justice, empower the oppressed, oppose unfair taxes, create democratic economic structures and develop alternative institutions all contribute to human security, which indeed should be the fundamental concern of any conversion program.

References

Adams, Gordon, "The B-1 Bomber: An Analysis of Its Strategic Utility, Cost, Constituency and Economic Impact." New York: Council on Economic Priorities; 1976.

Anderson, Marion, "The Empty Pork Barrel: Unemployment and the Pentagon Budget." Lansing: Public Interest Research Group in Michigan; 1975.

Arnold, Robert K., Stephen Levy and John Harford, "Political Impacts on Jobs in the California Economy with an Assumed Shift in National Priorities from Defense to to Non-Defense Spending During the 1970's." Palo Alto: Center for the Continuing Study of the California Economy; 1973.

Baran, Paul, and Paul Sweezy, Monopoly Capital. Hammondsworth, England: Penguin, 1966.

Barnet, Richard, and Ronald E. Muller, Global Reach: The Power of the Multinational Corporations. New York: Simon and Schuster; 1974.

Boserup, Anders, and Andrew Mack, War Without Weapons. New York: Schocken; 1975.

DuBoff, Richard, "Converting Military Spending to Social Welfare: The Real Obstacles," The Quarterly Review of Economics and Business, 12 (Spring, 1972): 7-22.

Dumas, Lloyd, "Re-Education and Re-Employment of Engineering and Scientific Personnel," In Seymour Melman, ed., The Defense Economy. New York: Praeger; 1970.

Friends Committee on National Legislation, Washington Newsletter, March, 1976.

Giese, Paula, "Peace Conversion: A Strategy for Organizing." Unpublished ms., 1973.

Gorz, Andre, Strategy for Labor: A Radical Proposal. Martin Nicolaus and Victoria Ortiz, trans. Boston; Beacon Press; 1967.

Herman, Edward S., "A Further Note on Inflation and the Military Budget." Win, 11:4 (February 6, 1975): 12-13.

Lakey, George, "Taking Apart the War Machine: Peace Conversion and the B-1 Bomber." Win, 11:32 (October 2, 1975): 4-18.
Melman, Seymour, Our Depleted Society. New York: Holt, Rinehart and Winston; 1965.
_____, "Postwar Economic Conversion." Testimony before the Senate Committee on Labor and Public Welfare, Dec. 1, 1969, as reprinted by SANE, Washington, D.C.; 1969.
_____, ed., The Defense Economy. New York: Praeger, 1970.
_____, "Ten Propositions on the Permanent War Economy." The American Economic Review, 62:2 (May, 1972): 312-318.
_____, The Permanent War Economy. New York: Simon and Schuster; 1974.
The National Urban Coalition, Robert S. Benson and Harold Wolman, eds., Counter-budget. New York: Praeger; 1971.
The President's Economic Adjustment Committee, "Summary of Completed Major Adjustment projects, 1961-1973." Report available from Washington, D.C.: The Defense Office of Economic Adjustment; 1974.
_____, "Economic Recovery: Community Response to Defense Decisions to Close Bases." Washington, D.C.: Defense Office of Economic Adjustment; 1975.
Reich, Michael, and David Finkelhor, "Capitalism and the Military Industrial Complex: The Obstacles to Conversion," in Richard Edwards, Michael Reich, and Thomas Weisskipf, eds., The Capitalist System: A Radical Analysis of American Society.
Reuther, Walter P., "Swords Into Plowshares: A Proposal to Promote the Orderly Conversion from Defense to Civilian Production." Detroit: United Auto Workers; 1970.
Rockwell International, "Point of Fact." Los Angeles: Rockwell International, Inc.; 1975
Samuelson, Paul A., "Defense Expenditure and Prosperity: An Important Digression," in Richard Edwards, Michael Reich, and Thomas Weisskopf, eds., The Capitalist System: A Radical Analysis of American Society. Englewood Cliffs, N.J.: Prentice Hall; 1972.
Schultze, Charles L., "Budget Alternatives After Vietnam," in Kermit Gordon, ed., Agenda for the Nation. Washington, D.C.: The Brookings Institution; 1968.
Shearer, Derek, "Swords Into Plowshares: A Program for Conversion." Working Paper for a New Society, Summer, 1973. Available in reprint from American Friends Service Committee, Philadelphia, PA, 19102.
The United States Bureau of Labor Statistics, The Structure of the U.S. Economy in 1980 and 1985. Washington, D.C.: Bureau of Labor Statistics; 1975.
Vandagriff, Charles, and Chip Mathews, eds., Priorities, March, 1976. Pasadena: Southwest Region of the American Friends Service Committee.
_____, Priorities, June, 1976. Pasadena: Southwest Region of the American Friends Service Committee.

ECONOMIC CONVERSION, PRODUCTIVE EFFICIENCY AND SOCIAL WELFARE

Lloyd J. Dumas, Associate Professor, Columbia University

Introduction

Traditional economic theory holds that there is a tradeoff between inflation and unemployment, and that accordingly price stability (i.e. 0% inflation) can only be achieved at the expense of increased unemployment, while full employment (corresponding to an unemployment rate of about 3%)[1] requires acceptance of an ongoing inflation. In 1960, the noted economists Paul Samuelson and Robert Solow published an analysis of annual data for the period 1933-1958, from which they quantitatively estimated this tradeoff.[2] It was their rough estimate that the elimination of inflation would require acceptance of a 5%-6% rate of unemployment, while the achievement of full employment would impose a continuing 4%-5% rate of inflation. In a later study, Lawrence Klein and Ronald Bodkin looked at quarterly data from 1948-57 and concluded that an unemployment rate of 6.9% would have to be maintained in order to achieve price stability, thus implying a slightly more severe tradeoff.[3]

The fact is that over the last several years, inflation and unemployment have both been persistently near, and often substantially beyond, these high tradeoff limits <u>simultaneously</u>. During the calendar year 1975, the U.S. national unemployment rate was averaging 8.5% at the same time the consumer price index was rising by 6.5%.[4] Something had clearly changed in the U.S. economy to produce this unprecedented high inflation/high unemployment situation. The question is what?

An important part of the answer lies not in the events of the last few years by themselves, but rather is rooted in a much longer process of cumulative economic deterioration stretching over the past few decades. Furthermore, this process does not derive from a fatal flaw in the workings of the U.S. economic system. It is neither necessary nor inevitable. Rather it is the unintended result of a conscious decision, with broad popular support, to adhere to a system of national priorities which has given primacy to the development and maintenance of a sector which is particularly unproductive from a purely economic viewpoint -- the military. When the U.S., for the first time in its history, entered into a protracted era of high military spending following the close of the Second World War, it sowed the seeds of the economic decline whose bitter harvest it is just beginning to reap.

The initial section of this analysis traces the mechanism by which the persistence of high military spending has played a major role in producing the economic deterioration underlying the present U.S. recession/inflation, and highlights the implications of this deterioration for social welfare. The second section deals with the nature of the serious economic and political barriers that have developed to the reversal of this economic and social decline. Finally, we consider the kinds of policies which should be effective in overcoming these barriers and accomplishing the transition from military to civilian orientation which is a necessary pre-condition of a serious and successful effort to improve the economic and social welfare of the people of the United States. Some of the plethora of conceivable productive uses of the resources freed from the military are discussed.

The Economic Effects of Military Spending

The idea that persistently high defense spending could play a major role in producing economic decline flies in the face of one of the most deeply ingrained and widely held economic beliefs: that a capitalist economic system benefits from (or at the very least is not harmed by) high levels of military expenditure. From the far left to the far right, there seems to be consensus on this one point. But the fact that a belief is deeply ingrained and widely held does not make it true.

Interestingly enough, Adam Smith, regarded as the father of rough and tumble laissez faire capitalism, did not share this view. On the contrary, Smith apparently saw military spending as economically parasitic, writing in his epic The Wealth of Nations (published in 1776):

> "...the whole army and navy are unproductive labourers... Such people, as they themselves produce nothing, are all maintained by the produce of other men's labour. When multiplied ...unproductive hands, who should be maintained by a part only of the spare revenue of the people, may consume so great a share of their whole revenue, and therefore...encroach...upon the funds destined for the maintenance of productive labour, that all the frugality and good conduct of individuals may not be able to compensate the waste and degradation of produce occasioned by this violent and forced encroachment."[5]

There are essentially four reasons why the maintenance of high levels of military expenditure in the U.S. over the past thirty years has produced both inflation and unemployment. These are: (1) the economic nature of military goods; (2) the way in which military procurement has been conducted; (3) effects on the international balance of payments; and (4) effects on civilian technological progress.

Each of these is now considered in turn.[6]

The Economic Nature of Military Goods. Military goods are those products purchased by the military which are to some degree specialized to military use. Thus, tanks, rifles, bombs, fighter planes, etc. are military goods, while milk, meat, detergents, etc. purchased by the armed forces are not.

Military goods so defined are peculiar in that they neither contribute to the present standard of living (as do consumer goods, housing, health care, etc.) nor to the economy's capacity to produce and distribute "standard of living" goods and services in the future (as do industrial machinery, trucks, warehouses, factories, school buildings, etc.). That is not to say military goods are useless, but merely that they do not augment the present or future standard of living in the way that the various consumer goods, producer goods and social services do, and thus do not possess the same kind of economic usefulness. However, despite the fact that they do not produce economic value in the above sense, they do require valuable economic resources for their production, and therefore impose a real cost on society. This cost is best measured not purely in terms of money, but rather in terms of the sacrifice of the economically useful social and economic goods and services that could have been produced with the labor, materials, energy, machinery, etc. which were instead devoted to military production.

Because the money paid out to the producers of military goods does not call forth a corresponding production of goods and services which can be purchased by business firms and consumers, the conditions are created whereby there may be an excess of demand relative to supply of goods. If this occurs, it will produce pressure toward a rise in the general level of prices, i.e. inflation. This potential contribution to inflation is the easiest part of the military spending problem to handle for two reasons: (1) it is only a serious problem when employment is full or near full; and (2) it can be offset, say by raising taxes sufficiently to remove enough money from the rest of the public to balance the flow of funds being spent on military goods. However, during periods of full employment, the money flows for the military have not been fully offset, and so have contributed to producing inflation. For example, during nearly all of the latter part of the decade of the 1960's, when the U.S. involvement in the Vietnam War was intensifying, the unemployment rate was under 4%.[7] Military spending was not offset, and between 1965 and 1969, the rate of inflation more than tripled.[8]

Military Procurement Practices. Whatever the payment formula formally written into major defense procurement contracts, they have all in practice been what are known as "cost plus" contracts.[9] These are

contracts in which the producing firm is paid an amount equal to its total cost of production (whatever that eventually turns out to be) plus a profit. Operating under such a system, the firm involved not only has no risk, but also has no incentive to hold its costs down. To the extent that the firm wants to increase its sales revenue, it will have a very powerful incentive to run its costs up in order to achieve the highest possible payment for its product.[10]

Combining this incentive system with the very large amounts of money made available for military procurement year after year by the Congress has created a situation in which military industry has bid up the prices of key resources. Chief among these are engineering and scientific personnel, and some grades of highly skilled production labor. Aside from its direct effects in increasing the cost of these resources to civilian industry thus adding to the pressure toward inflation, the purchasing power of defense firms, backed by their rich customer (the Federal Government), has completely pre-empted a substantial amount of some of these resources, with serious long term effects on the health of the civilian economy.

For example, by one crude and conservative estimate nearly one-third of all the engineers and scientists in the United States were engaged in defense-related work as of 1967.[11] Assistant Secretary of the Treasury Murray Weidenbaum had earlier put the figure at 52%.[12] The pre-emption by the military of such a large fraction of what we will subsequently see is a critical resource in a modern industrial society, cannot fail to have significant effects on the functioning of that part of the economy that produces goods and services which do contribute to the standard of living and the quality of life.

International Balance of Payment Effects. From 1893 through 1970, year by year the U.S. had a balance of trade surplus, i.e. the U.S. exported a greater value of goods and services than it imported. Since exports bring foreign currency into the U.S., while imports send U.S. dollars abroad, if this had been the only aspect of the U.S.' international transactions, there would have been a considerable accumulation of foreign currencies (or gold) in the U.S., and a comparative shortage of U.S. dollars abroad. Consequently the U.S. dollar would have been one of the strongest (if not the strongest) currencies in the world. However, the balance of payments includes not only money flows related to trade, but all other international money flows as well, and the U.S. balance of payments has been in continuous deficit for many years.

What role has U.S. military expenditure played in this situation? It has affected the U.S. international economic position directly through outflows of U.S. dollars for defense expenditures abroad, and indirectly through its effects on the balance of trade, chiefly via

its influence on the competitiveness of U.S. civilian industries in foreign and domestic markets.

In the table below are presented some basic U.S. Department of Commerce data which bear on the direct effects of military expenditures abroad and on the U.S. international financial situation. We note that the entire cumulative balance of payments deficit for the period 1960-1970 (inclusive) was $35 billion, whereas over the same period, total direct defense expenditures (net after military sales abroad) were more than $30 billion. Hence, U.S. military expenditures abroad accounted for 86.6% of the entire U.S. balance of payments deficit during that period.

During the years 1955-1970 (inclusive) there was a huge inflow of foreign currencies into the U.S., represented by a cumulative balance of trade surplus of nearly $62 billion. But during those same years, net military expenditures abroad were responsible for an outflow of dollars from the U.S. amounting to more than $43 billion. The outflow of U.S. currency owing to military spending abroad thus wiped out 69.9% of the balance of trade surplus, 1955-1970.

Perhaps an even more striking fact is that total net direct defense expenditures abroad over the entire 20 year period from 1955 to 1974 were more than 10% greater than the total balance of trade surplus.

These comparisons greatly understate the magnitude of U.S. defense expenditures abroad, because they do not include outright U.S. grants of military goods and services. Since they involve no international flows of currency, these gifts of military equipment and services are not involved in the balance of money flows. However if included, the total of almost $34 billion worth of such grants recorded during the years 1960-1974 would increase the military expenditure figures given for that period by more than 80%.[13]

It is clear from these data that direct outflows of dollars in the form of U.S. military expenditures abroad played a major role in destroying the favorable balance of trade surplus, and contributed to the severe weakening of the U.S. dollar. This substantially raised the price of imported goods (including oil) upon which the nation's business and consumers have become increasingly dependent in the past few years. This massive outflow of military spending abroad has directly and substantially contributed to the generation of inflation within the domestic U.S. economy.

Military Expenditure and Civilian Technological Progress.

Technological progress is one of the cornerstones of modern industrial society. It is often seen as a kind of unidirectional force, which presses onward, almost with its own imperative, compelling

U.S. Military Expenditures Abroad and the International Balance of Payments

Year[1]	Balance of Trade ($millions)	Balance of Payments[3] ($millions)	Net Direct Defense Expenditures Abroad[4] ($millions)
1955	2,897	---	2,501
1956	4,753	---	2,627
1957	6,271	---	2,466
1958	3,462	---	2,835
1959	1,148	---	2,503
1960	4,892	-3,667	2,752
1961	5,571	-2,252	2,596
1962	4,521	-2,864	2,449
1963	5,224	-2,713	2,304
1964	6,801	-2,696	2,133
1965	4,951	-2,478	2,122
1966	3,817	-2,151	2,935
1967	3,800	-4,683	3,226
1968	635	-1,611	3,143
1969	607	-6,081	3,328
1970	2,603	-3,851	3,354
1971	-2,268	-21,965	2,893
1972	-6,409	-13,829	3,621
1973	955	-7,651	2,316
1974	-5,528	-19,043	2,159
TOTAL	48,703	---	54,263

Notes: 1. Problems of data availability and comparability complicate a more complete analysis over the entire post World War II period.
2. Exports-imports, merchandise, adjusted excluding military (minus implies deficit)
3. Net liquidity balance (minus implies deficit)
4. Direct defense expenditures - military sales (does not include military grants of goods and services)

Sources: Bureau of Economic Analysis, U.S. Department of Commerce, Business Statistics (1973), pp. 13-14, and Survey of Current Business (June 1975), pp. 26 and 30.

people to adjust themselves to the kind of world it produces.

Actually nothing could be farther from the truth. There is nothing mystical about the development and application of new technical knowledge -- it is merely the product of individuals, trained in the appropriate scientific and engineering disciplines, trying to solve the problems toward which their attention is directed. Technology has no initiative of its own, nor is it unidirectional. Its advance can be accelerated or slowed by altering the magnitude of resources devoted to that purpose. It may be channeled in many different directions by changing the nature of the problems set before the engineers and scientists who develop it. Technology is not a single lane road down which we must travel at a speed beyond our control. It is a complex interconnected network which is explored at a pace and in a pattern largely determined by social decision, within the limits placed upon us chiefly by the availability of appropriately trained engineering and scientific personnel.

The critical functions of civilian technological development in a modern society are to enhance the quality of products available and to improve the efficiency with which these products are produced. Here the word "products" is defined broadly to include not merely manufactured goods, but rather the whole range of goods and services, power supply, transportation etc.

As the cost of labor, fuel, raw materials, machinery and other productive resources rise over time, they exert an upward pressure on the cost of producing any given product, and hence on its price. The only way this pressure can be relieved, i.e. the only way the production cost per unit of product can be held down in the face of rising input costs is by finding more efficient ways of utilizing these inputs. If, for example, an improved production technique were developed which allowed us to produce 10% more output from the same combination of inputs we had been using, we could offset up to a 10% increase in the cost of <u>every</u> input by implementing this technique, and therefore hold production cost steady despite the rise in labor, fuel, etc. costs. Accordingly there would be no cost pressure to raise the product's price. Thus cost increases can be offset by increases in the output produced per unit of input. This latter quantity is known as productivity.

Particular attention is often focused on the rising cost of the <u>labor resource</u>, and therefore on the behavior of its potential offset, <u>labor productivity</u>. Civilian technological progress plays a crucial two-sided role in the improvement of labor productivity. On the one hand, direct improvements in production techniques increase the output obtainable from a given amount of labor. On the other hand, technological progress in the industries that produce the machinery and equipment used in the production of all goods and services make the

purchase of that machinery and equipment more attractive to all producers by holding down its price (through improvements in production techniques) and enhancing its quality. As labor prices rise, the availability of relatively inexpensive high capability machinery will lead producers to purchase more and better machinery, thus increasing the output produced per worker. Therefore, both directly and indirectly civilian technological development plays a vital role in maintaining the economy's ability to offset higher labor (and other resource) costs, and removing the "cost-push" pressures toward inflation.

We have noted that between one-third and one-half of the engineering and scientific personnel in the U.S. have been directing their attention to the development of technology oriented to military uses. The magnitude of this diversion is even greater than these quantitative estimates indicate, since the combination of high prestige and high pay associated with military-related work have tended to attract the top-ranking graduates in the various disciplines into this area. The pre-emption of such a large portion of the nation's technological talent by the military cannot fail to have a strong adverse impact on the rate of civilian technological development.

The argument is often made that the technology developed in the pursuit of military oriented goals can also be applied to civilian purposes. To be sure there is some occasional "spillover". But what is found is strongly conditioned by what is sought. Advances in civilian technology, whether they be improved techniques of power generation or food preservation, will typically be found faster and at a much reduced expense if they are pursued directly. Furthermore, to the limited extent spillover exists between military and civilian technological developments, it operates in both directions.[14] At any rate the acid test of the high spillover argument is essentially an empirical one: if it is true, then the pre-emption of technological resources should not have substantially diminished the rate of civilian technological progress.

By early 1976, the indications of decline in U.S. civilian technological development were so manifest that they could no longer be ignored by either business people or the science establishment. The February 16, 1976 issue of Business Week carried an article entitled "The Breakdown of U.S. Innovation", the introduction of which included the following, "...from boardroom to research lab, there is a growing sense that something has happened to American innovation... the country's genius for invention is not what it used to be."[15] The following month, the release to Congress of the seventh annual report of the National Science Board, the governing body of the National Science Foundation, was reported in the New York Times under the headline "U.S. Science Lead is Found Eroding". The news account began, "The international predominance of the United States in science and

technology has suffered erosion in the past 15 years..."[16]

Several years earlier, a special report in Business Week detailed the increasing difficulties being encountered by industry after industry in the U.S. as a result of the decline of U.S. civilian technological progress. U.S. heavy machinery builders were running into fierce foreign competition on price and design as early as the early 1960's. U.S. companies increasingly licensed the rights to European developed technology in such high technology industries as chemicals and electrical equipment. In shipbuilding and electrical power transmission, American firms adopted improved methods developed by Swedish firms. In steel manufacture and in construction, U.S. industry lagged behind Japanese and European industry in the application of improved techniques.[17]

The economic and social effects of this civilian technological retardation are very serious. Since civilian-oriented technological progress is a key element in the productivity process, which is in turn critical to the economy's cost-offsetting capability, the slowing of that progress directly implies that rises in the costs of labor, fuels, materials, etc. will increasingly result in higher production costs for a whole range of products. In the case of goods and services produced by private enterprise, these production cost increases must eventually be passed along to consumers in the form of higher prices.[18] In the case of governmentally provided transportation, health care, educational and other social services, taxes will have to be increased to pay for increased costs, direct charges that may in some cases be levied on users of these services to cover a portion of their cost will have to be raised, and/or services will have to be curtailed.

Publicly provided or subsidized social services, which would not normally be expected to experience substantial cost-offsetting technological progress in the absence of this military diversion of technologists, e.g. education, suffer considerable cost-push inflationary pressures as a direct result of the retardation of civilian technological progress elsewhere. The cost of every material input they require, will be rising because of the failure of technological advance in the industries which produce those inputs.

The failure of the cost offsetting mechanism implied by the military's pre-emption of a large share of the nation's engineers and scientists thus clearly leads to a substantial and ongoing inflation. But, at the same time, it also plays a major role in generating unemployment. On the one hand, the rising costs of publicly provided economic and social services may persuade or compel state and local governments to curtail these services because of the real or perceived intolerance of their constituents for tax increases sufficient to

maintain them. This directly results in the loss of jobs by those individuals who were formerly engaged in providing these services.

The rising prices of domestic private producers of goods and services make their products less and less competitive in both foreign and domestic markets, especially relative to those foreign producers in nations which continue to place sustained emphasis on the development of civilian-oriented technical knowledge. The relative loss of markets by domestic producers to foreign firms, both in the U.S. and abroad, results in cutbacks in domestic production which in turn generate unemployment even in the face of relatively high product demand. Hence extraordinary situations of simultaneously high demand and rising unemployment can develop, such as the existence, in July 1971, of 16% unemployment in Detroit (and near 10% in Michigan as a whole) during the best auto sales year in the nation's history to that date.[19]

The loss of foreign markets by U.S. producers shows up as a decline in exports, the loss of domestic markets as an increase in imports. But falling exports and rising imports result in a deterioration of the balance of trade. So it was in 1971 that the balance of trade finally turned against the United States, after more than three-quarters of a century of continuous annual surplus. Clearly this further aggravated the balance of payments deficit, weakened the dollar and hence constituted yet another indirect contribution of the military to inflation.

Faced with a progressive inability to offset high resource costs, particularly that of labor, U.S. business firms began moving their operations to areas in which labor costs were much lower than in the U.S. This substantially aggravated the nation's unemployment problem. A few of the numerous examples of this "export" of jobs from the U.S. are the loss of 2000 machinists' jobs in Utica, New York as a consequence of General Electric's transfer of its operations to Singapore between 1966 and 1972; General Instrument's closing of plants in Massachusetts and Rhode Island and subsequent hiring of more than 7000 workers in Taiwan; and the complete transfer of all of its consumer electronic components manufacturing operations overseas by Westinghouse.[20]

Thus, for a number of reasons the decline in civilian technological progress resulting from the relative concentration of U.S. technological talent on military research is perhaps the most important of the severe inflation and unemployment generating effects of the past three decades of persistently high military expenditure. It has resulted not merely from the gross military pre-emption of engineers and scientists, but also from the feedback effect that pre-emption has had on engineering and scientific education in the United States. This feedback has to some extent affected even those technologists who

have opted for civilian-oriented research.

Social Welfare Implications of the Economic Effects of Military Spending. To the extent that an individual's income rises at least as fast as the price level, that individual will be partly protected against the erosion of his or her ability to purchase goods and services.[21] Hence, that person should be able to maintain or improve that part of his or her material standard of living that is related to the direct acquisition of those products in the market place. However, any individual whose income is not keeping pace with the inflation will experience a lessened ability to buy goods and services and thus a reduced standard of living. Those living on essentially fixed incomes will suffer the most severe decline.

For various reasons, the people whose incomes rise the most slowly or are totally fixed, tend to be those lowest on the economic ladder to begin with, e.g. the elderly, the chronically unemployed, the unskilled. And for such individuals, the loss of purchasing power resulting from inflation is not merely a source of inconvenience or discomfort, but of real deprivation.

The inflation-related rise in the cost of state and local public services, such as fire and police protection, education, mass transportation, health care, etc. particularly in the presence of continued diversion of the lion's share of discretionary Federal funds to military programs, must lead to higher taxes and/or increasingly severe cutbacks in services provided. Curtailments in such essential services diminish everyone's well-being both in the short and long run. The economically underprivileged, because they lack alternatives, tend to be the most dependent on publicly provided services as well as direct public support. They are most severely burdened by state and local governmental cutbacks. Those in the economically middle class undergo a two-sided squeeze, bearing a large part of the growing tax burden required to cover the rising costs of state and local services, while not being sufficiently wealthy to protect themselves against at least some of the service cutbacks without real sacrifice (say by removing their children from deteriorating public schools and placing them in high quality private schools). Even higher income individuals suffer as a result of reduced police and fire protection.

As to unemployment, the economic damage caused by sustained high military spending is again disproportionately borne by those least able to economically cope with it. Low income workers are in that status partly because of a lack of skills, partly because of various types of ethnic discrimination, and partly because they are either unorganized or organized into relatively weak unions. They are normally considered the most marginal laborers, and are accordingly the first to be laid off as production is reduced in response to lowered sales.

Another very important social effect which has developed as a result of the unemployment effects of prolonged military emphasis is the potential for reversal of the labor force gains made by some ethnic minority groups and women during the past decade. The widespread, nearly pervasive practice of laying off those workers with least seniority first has put at greater risk all those who have made recent penetration into employment areas formerly closed to them.

Unemployment always diminishes not only the economic and social welfare of those who are unemployed, but also of society in general. It represents a failure to develop and fully utilize labor, and as such implies the sacrifice of a part of the potential contribution to economic and social wellbeing of which that resource is capable.

Ongoing excessive inflation, high unemployment, rising taxes, curtailment of basic and essential state and local government services, a continuing deterioration of a substantial part of the nation's economic and social infrastructure -- these are the legacy of thirty years of excessive military expenditure. Far from being economically beneficial, high defense spending has been a cancer on the economy and on the society. And like a cancer, the damage it does will compound as long as we permit it to persist.

The Nature of the Conversion Problem

It is perfectly possible to return the economy to its previous civilian orientation without producing severe economic and social dislocations during the period of transition. But there are real economic, political and social obstacles to overcome. The nature of the distortions produced in the economy by the long term emphasis on military expenditure are such as to require structural intervention to correct. Simple macro-economic policies like manipulating the money supply, cutting taxes, offering investment tax breaks to business, etc. may be helpful, but they cannot conceivably come near being sufficient to produce a smooth transition. We will see why, as we consider, in turn, some of the major components of the conversion problem.

The Conversion of Engineers and Scientists. Since so much of the economic damage inflicted by high military spending has resulted from its adverse effects on civilian technological progress, the successful conversion of engineers and scientists from military-related to civilian-oriented research is especially critical to rebuilding the nation's economic strength. Since society has an enormous investment in the training of these individuals, it would be extraordinarily wasteful to merely find any sort of civilian job for them.[22] For both these reasons, we will assume that the conversion process is required to provide these engineers and scientists with the kind of civilian work which utilizes their skills.

A very important part of the problem of converting technologists to civilian research is rooted in the differences between requirements for successful military and civilian technological development. Present day high technology military products are extremely complex, and are designed with an effort to squeeze every possible ounce of performance out of the product. Whether or not this extra performance capability actually has military significance, the presumption that it does clearly underlies the practice of weapons research and development.[23] This has led to the assignment of large teams of technologists to the design of weapons systems, each, in effect, developing and designing a part of a part. Accordingly, the need to become expert in a very narrow range of knowledge has led to extreme specialization of engineers and scientists engaged in military-related work. In addition, the extreme priority attached to military funding, combined with the common practice of procuring weapons on an effectively cost-plus basis and the pressure for even small increments in weapons capability, has led to a virtually complete de-emphasis on the cost implications of design. In fact, more expensive designs will certainly result in increases in sales revenue and typically in profit as well to the firms which generate them.

Successful design for the civilian market place, on the other hand, requires very heavy emphasis on the implications of the specific design for the cost of producing the ultimate product. This implies that designers, rather than being extremely specialized, should have a fairly clear concept of the overall design of the product and the interactions of its subcomponents. This, together with a basic understanding of the effects on cost of modifying the design in one way or another, will enable them to trade off changes in one part of the design against changes in the other to achieve desired product performance at the lowest possible cost. Keeping production cost down enables the price to be kept at a level which will make the product attractive to potential customers, and hence bring expanded sales and profit to the firm.

Because of these differences, engineers and scientists performing defense work must be retrained and re-oriented before they can be successful in civilian research and development. They do not need to be completely retrained because much of what they already know is also required for civilian work. But their overspecialization needs to be undone and they must be sensitized to the cost issue, and thus put in touch with civilian design realities.

The conversion process must also be extended to the educational institutions responsible for the training of engineers and scientists. These institutions have, altered their curricula to emphasize specialization, especially in areas and sub-areas of interest to the military, and strongly de-emphasize training in cost-related matters. Instruction in mundane civilian-oriented areas like, for example,

power engineering was curtailed or eliminated, particularly at the "best" schools. All this was an appropriate institutional response to the changing shape of the high-pay/high-prestige opportunities available to their graduates. And yet, these changes meant that even those engineers and scientists who did go directly into civilian areas were to some extent less than optimally trained for the development of civilian-oriented technological progress. Therefore, this response served only to exacerbate the deterioration of U.S. civilian technology and thus the nation's economic problems.

The inability of military-oriented engineers and scientists to move into civilian-oriented research and development without conversion retraining is indicated by the commonly observed tendency of technologists, laid off because of the termination of a defense contract, to either move to another geographic area in which defense firms have just received new contracts, take jobs which do not involve engineering and scientific work or simply remain unemployed until the contracts return. This tendency has been read by some as an indication that civilian technology is not starved by the diversion of engineers and scientists to military areas as we have argued, since they are not "grabbed up" by civilian industrial research programs when they do become unemployed.[24] But, that the failure of these technologists to be readily absorbed into civilian industry is due to the inappropriateness of their training and not an overall lack of demand is illustrated, for example, by the development of a critical shortage of engineers qualified to design new power plants reported in the early 1970's[25], side by side with the existence of an unemployed pool of military-oriented engineers.

Management Conversion. The management of military industrial firms operate in a very different atmosphere from that which prevails in civilian-oriented enterprise. Defense firms have, in practice, only one customer -- the United States Government. They cannot sell their products to civilian customers in any case, and can sell to foreign governments only with the direct and specific approval of the U.S. Department of Defense.[26] Even so, weapons sold to foreign governments were originally designed, developed, and produced for sale to the U.S. Government.

The one-customer orientation produces a very different sales and marketing situation from that faced by civilian firms. Rather than knowing how to run an effective electronic and print media advertising campaign, how to survey markets for public acceptance of a new product line, how to price a product for penetration into new markets or expansion of existing ones, etc., it becomes critical to know the minute detail of the Armed Services Procurement Regulations, to develop good working relationships with key government procurement personnel, and to be able to lobby effectively with members of the Congress.

Another critical difference is that the single customer does not itself have to sell its product in a market place. It does not therefore have to worry either about the effects on the ultimate price of its "product" of paying too much for the goods it buys, or the danger of its being forced into loss or bankruptcy by a drop in its sales if the equipment it purchases does not perform well.

This strongly interacts with a third critical factor, the extremely high priority accorded to defense procurement, currently supported by at least national public acquiescence, if not implicit consensus. This not only assures that the Defense Department will continue to be a very rich customer, but also that its purchase decisions will be readily validated by both the Congress and the President. Thus, the wealthy customer that military industry services faces no economic market test, and only the very loosest political constraints.

The net effect of these last two factors has been to guarantee at least higher revenues and typically higher profits to those military firms which are most effective in running up the cost of the products which they are contracted to produce, often regardless of whether or not these products perform as they were supposed to. A management operating in such milieu will become very effective at finding ways of producing at high cost. But this sort of management training and experience is completely inappropriate to successful operation in civilian markets, where holding costs down, is the crucial skill.

One of the most striking examples of the contrast between the way in which products get produced for military as opposed to civilian markets lies in the comparison of the Boeing 747 and the Lockheed C5A cargo plane. Both of these are jumbo jets of roughly comparable size, but the former was designed and produced for sale to the airlines and the latter for sale to the Air Force. The 747 is a smooth flying, highly reliable aircraft flown daily by nearly every major airline in the world, and is as energy efficient when fully loaded as a Volkswagon beetle carrying only its driver. The C5A has been plagued by severe operating difficulties including cracking of the wing pylons, crash-producing failures of the rear cargo door, and considerable landing gear problems. The Air Force has acknowledged that a cargo version of the 747 could carry a larger payload than the C5A.[27] In 1971, the 747 sold at about $23 million per plane, the C5A about $60 million per plane.[28] Furthermore, wing defects on the C5A which reduced its estimated service life by more than 70%, were projected to cost 1.3 billion to repair, nearly doubling the original cost estimates for the program.[29]

That managements of military firms are rewarded for high cost, despite low product quality and poor performance, is illustrated by the following listing of article headlines excerpted from the New York Times:

(1) "Nine Spy Planes Lost in Crashes, Pentagon Says" (March 23, 1970) -- these planes were developed by Lockheed.
(2) "X Factor Continues to Raise Luftwaffe's Starfighter Toll" (July 4, 1972) -- report of the 154th crash of this plane, designed by Lockheed.
(3) "Lockheed's Step Is Costliest Ever: $800 Million Write-Off on Tristar..." (November 23, 1974) -- report of loss by Lockheed in its development of the L1011 commercial jet.
(4) "Lockheed Says $22 Million Went to Officials Abroad" (August 2, 1975) -- payments to foreign officials and political organizations to obtain weapons contracts.
(5) "C5A Jet Repairs to Cost 1.5 Billion" (December 5, 1975)
(6) "Lockheed Rises to Top as Defense Contractor" (December 11, 1975).

All this involves the same defense firm that was given a $250 million loan guarantee by the Federal Government.

Nowhere but in military industry could a management avoid financial disaster, much less achieve ascendancy, by performing so poorly, for so long. Clearly, one cannot expect managers accustomed to operating in a situation in which there is no risk, high costs are not merely tolerated but become the path to success, and only one rich customer need be serviced, to operate successfully in risky, cost sensitive, multicustomer civilian markets without substantial retraining and re-orientation. When unconverted military industrial managements have turned their attention to production of civilian products for state and local governments, the results have borne a striking resemblance to their military operations in both cost and performance. Consider, for example, the Bay Area Rapid Transit (BART) system in San Francisco whose prime contractor was the Rohr Company, a firm which made its reputation in aerospace and related operations. Although the system was supposed to be in operation by 1968, prototypes were still crashing in 1971.[30] A few weeks after it opened in 1972, the computer-controlled network experienced a number of breakdowns, including one instance in which a train "failed to slow down at the end of the line, barreled through a sand barrier, and did a nosedive into a parking lot."[31] As of late 1975, up to half the cars were out of service at any given time, "causing delays and standing room only for San Francisco commuters, who have dubbed it Bay Area Reckless Transit."[32] By 1971, estimates for the cost of the system had grown from $792 million to $1.4 billion.[33]

There is little question, that whether military oriented managements are turned to the supervision of the production of goods and services sold in the civilian market place or for civilian use by government, they must be retrained and re-oriented as a prerequisite for successful conversion.

Conversion of Production and Low-Level Administrative Workers. With the possible exception of a few highly skilled workers, the primary problem in channeling production and administrative workers into civilian oriented work lies not in the need for re-education, but rather in the numbers of people involved. By 1971, at least six million people in the United States were directly employed in military-related work -- 3.8 million by the Pentagon, and another 2.2 million by military-oriented industry.[34] Clearly, the bulk of these employees are production workers and low level administrative employees, including clerical workers.

Re-orientation to the standards of work of civilian enterprises will undoubtedly be required, and it is possible that additional vocational training will be required for some of these employees. This latter training is not so much to undo the effects of having been employed in military-related work as such (as in the case of engineers, scientists and managers), but rather to bring their skills into more perfect congruence with the best civilian opportunities available. The transition problem is simpler here because of the less involved nature of the re-education required, but more difficult because many more people are potentially involved.

The fact that many of the workers involved in defense production are unionized also presents a barrier to conversion, to the extent that the leaders of these unions take an inordinately short term and parochial view. The problem is that the civilian re-employment of the workers displaced by cutbacks in military expenditures may involve their transfer into industries or lines of work in the jurisdiction of unions other than those to which they currently belong. Because this tends to reduce the membership of defense industry related unions to the extent that it occurs, the leaders of these unions have an incentive to oppose this transfer and thus potentially the entire economic conversion process, pressing instead for continued high military spending. Such a position tends to be attractive to the membership of these defense unions, since it appears to be in their direct, short term interest. But, as we have seen, continued high military expenditure is economically destructive, and in the longer term its inflation and unemployment-generating effects hurt defense workers as well as the large numbers of nondefense workers who constitute the vast majority of the U.S. labor force. It is therefore only in the most, narrow, nearsighted and parochial sense that any union membership benefits from the continuation of high defense spending.

Capital Equipment and Facilities. Some of the industrial equipment and facilities currently employed in the service of the military are sufficiently general purpose in nature to be directly usable in civilian-oriented work. But some, such as certain types of extremely high capability machine tools, specialized shipbuilding facilities and military bases are not so directly transferable. To the extent that

some of this machinery suffers primarily from the excessive cost related with its excessively high performance capability, the equipment should be usable for civilian operations if some sort of special write-offs or tax breaks are allowed to overcome the cost penalty.

Those industrial facilities which do not so much possess excess capabilities as the wrong capabilities will have to be reconstructed, but that cannot be effectively done until specific plans have been developed for the particular alternative purpose to which those facilities are to be turned. Similarly, military bases are unlikely to be appropriate, without some degree of alteration, for efficient performance of a civilian oriented activity.

Intra-Regional Concentration and the Conversion Problem. Military bases and the facilities of military-industrial firms are not spread evenly throughout the United States, but are rather concentrated in certain areas within the various regions of the country. Every major section of the country contains some geographically small pockets of major military or military-industrial employment. Examples include the San Francisco Bay area, parts of Long Island, Seattle, and the Boston-Cambridge area. This combination of high concentration and geographic dispersion has important political and economic implications.

Politically, one would be hard-pressed to devise a geographic pattern which would provide better leverage. The Congressional representatives elected by constituencies which include one or more of these pockets, feel themselves compelled to support military programs that they perceive are in the interest of the people by whom they were elected, providing them with continued employment. They come to believe, that their continued election depends upon the effectiveness with which they can aid in at least maintaining, if not expanding the flow of military funds to their district. Accordingly, they may become salespeople for the military industry in their area.

Through the usual type of legislative agreements, the support of these legislators from various key areas for various military programs becomes multiplied into broad Congressional support for the funding of virtually any program the military can put forth. Legislators who do not go along can be punished by merely withdrawing military funds from their areas (e.g. by closing bases, cancelling contracts), or switching promised new funding to other regions. In the absence of prior serious conversion planning, this kind of "cold turkey" cutoff of funding will produce real economic difficulties and this is not conducive to re-election.

The primary economic implication of the geographic pattern of military-related facilities is that macroeconomic policies such as income tax reductions and money supply increases cannot cope with the problem of stimulating the economy so as to effectively produce a

smooth absorption of the resources freed from military use into civilian activities. Such policies average their effects broadly over the nation. But what is required here are policies which will reach specifically into these pockets of military concentration and redevelop them. Only in this way can the temporary economic dislocation which accompanies any major structural change be held to a minimum, and the economic reconstruction of the United States thus accomplished without real hardship.

Policies for Successful Conversion

An economically and socially successful conversion process requires considerable planning and preparation. First, a careful analysis must be performed to identify appropriate civilian alternatives into which the resources released from military-related activities may be effectively channeled. Second, a program for efficiently preparing the resources for their new civilian-oriented functions must be carefully developed. Finally, in the case of the human resources involved, various social services must be provided during the period of transition including income maintenance, employment services, and relocation and educational assistance where required. We shall consider each of these problems in turn.

Civilian Alternative for Military-Related Resources. In a broad policy sense, it is not at all difficult to identify economically and socially productive alternatives for the employment of resources now devoted to unproductive military use. One need only consider those vital social services and important areas of the economic infrastructure that are either presently in an advanced state of decline or clearly undergoing serious progressive retrenchment. Urban mass transit, housing, intercity rail transportation, police and fire services, mental and physical health care, standard education and vocational training, special education, care for the elderly, day care, etc. all would benefit enormously from a transfusion of resources from military programs, and that would clearly produce a major increase in the nation's economic and social welfare.

It is possible to get a very rough but concrete idea of the kinds of tradeoffs which exist between military and civilian programs by comparing the funding requirements for a series of specific alternatives.[35] A list of a dozen such tradeoffs is presented below:[36]

(1) Impounded federal housing funds, 1972 = $130 million = 8 F-14 aircraft
(2) Vetoed EPA plan to de-pollute the Great Lakes = $141 million = 1 B-1 bomber plus 1 DD963 destroyer
(3) National solid waste treatment program = $43.5 billion = B-1 bomber program
(4) Unfunded program to upgrade rural American life = $300 million

= 5 C5A aircraft

(5) Child nutrition programs funding cut = $69 million = 2 DE-1052 destroyer escorts

(6) To bring all Americans above the poverty line, 1971 = $11.4 billion = B-1 bomber program, low estimate

(7) To eliminate hunger in America = $4-5 billion = C5A aircraft program

(8) Philadelphia 1971 schools deficit = $40 million = 2 F-14 aircraft plus 2 Main Battle Tanks

(9) Graduate fellowships funding cut, 1973 = $175 million = 1 nuclear attack submarine

(10) 1973 cities' needs to rebuild blighted areas = $3 billion = 1 nuclear aircraft carrier, equipped, and escorts.

(11) 1972-73 cut in federal mental health budgets = $65 million = 1 C5A aircraft plus 5 Huey helicopters

(12) Construction of a 584 bed general hospital in San Francisco = $41 million = 1 B-1 bomber

Besides such directly socially conscious alternatives, general redirection of resources into the production of "standard of living" goods and services, from machine tools to bubble gum, would revitalize the civilian economy. This revitalization would play a major role in creating the conditions under which the goal of full employment without significant inflation becomes economically achievable. And major gains in social welfare would clearly follow this kind of economic redevelopment.

But while broad prescriptions are important from the viewpoint of policy and perspective, an effective conversion process requires the detailed specification of particular alternatives for <u>each facility</u>, and <u>each area</u> undergoing this transformation. Let us assume that we are <u>focusing</u> on the development of specific civilian alternatives for a particular industrial facility or military base complex. What do we do?

The first step is to analyze the nature and quantity of all the productive resources involved in the transformation: the types and numbers of machines and their capabilities, the sorts of buildings (including their layout), the skill and experience mix of the labor force, and the characteristics of the site, including its size, terrain and location. The second step is lay out a list of alternatives whose requirements for productive resources most closely correspond with what is currently available, as indicated by the resource analysis of the first step. Seeking alternatives which best match the capabilities of the present mix of resources minimizes dislocation and disruption by reducing the need for labor force hiring, firing, and retraining, and new equipment purchases. This tends to minimize the social cost of transition, as well as its direct financial cost.

Furthermore, playing to the strengths of existing capabilities also increases the probability of success in the new activities. To some extent, the initial resource analysis will in itself, suggest at least broad classes of feasible alternatives. For example, a manufacturing firm which owns considerable metalworking equipment and employs a fair amount of machinists would be more likely to convert successfully to the manufacture of metal office furniture or railroad cars than to the production of detergents or cosmetics.

We should not conceive of this list of alternatives in purely industrial terms. Public and private nonmanufacturing projects, in areas such as pollution control, education, transportation, etc. are also major alternative productive uses of resources. For example, it may well be that the prime civilian-oriented use for a particular naval facility may be as a major sewage treatment complex, medical center, or new university campus, rather than as an industrial park. It would be a serious mistake to think too narrowly at this critical stage of developing alternatives.

Finally, the "success potential" of each of the alternatives should be evaluated. In the case of conversion of industrial facilities to civilian production this primarily involves a study of what is called the "marketability" of the product, which involves an analysis of the demand for the product at the ranges of price that would permit a sufficient margin of profit (after covering costs) to make this product line attractive to the producer. In the case of public or non-profit projects, the evaluation should involve an analysis of the social need for such a project in that region, as well as its estimated cost. In either case, the accuracy and realism of estimates of both one-time conversion costs and subsequent continuing post-conversion production costs play a critical role in determining the feasibility and attractiveness of any proposed alternative.

To the extent that there is less than a perfect match between the labor requirements of even the best civilian alternatives for a given military enterprise and its pre-conversion labor force, there may be a need to channel some of the labor force into productive civilian activities wholly outside of that particular enterprise. For example, it is extremely unlikely that all, or even most, of the engineers and scientists currently employed by military industries would be required for any reasonable civilian alternative activities to which these industries would turn. This is no particular problem, in the sense that there are many civilian activities outside these particular converted industries in which the services of such personnel would be of great value.[37] We need to think in terms of sufficient alternatives to productively re-employ all of the resources (particularly labor) released from military activity, and not simply sufficient alternatives to convert present military bases and military-industrial firms into civilian facilities.

Preparing Resources for Conversion. Conversion of the labor resource requires different amounts and kinds of retraining and re-orientation depending on the original function of that resource in the military-related activity. Personnel employed in the development of technology, i.e. engineers and scientists, will as has been argued, generally require despecialization training in their fields, along with re-orientation to the cost implications of their work. The specific course work required, however, will differ somewhat depending upon the particular new civilian direction in which any given individual will be heading. For example, mechanical engineers who will become involved in the development of urban mass transit systems should not follow exactly the same program as those who will be designing home appliances. Therefore, in order to avoid one of the most common fatal flaws in well-intentioned occupational training programs -- training people into areas in which insufficient employment opportunities exist -- it is necessary for planning purposes to know what civilian employment opportunities are available. This is one of the reasons why the analysis of civilian alternatives discussed just previously is a key prerequisite for successful conversion.

It is important to understand that for any given individual a specific program, built around his or her past experience and training, and tailored for entry into the area that he or she prefers (given the available opportunities), can be developed by direct personal consultation with an educational advisor. What is needed for general conversion planning purposes is a clear idea of how many people from each field and level of education will be involved, and which broad areas of opportunity will exist for absorbing them into productive civilian activity. In this way, sufficiently accurate estimates may be made of the time, funding, and personnel requirements of this conversion retraining to permit an effective, intelligently designed re-education program to be developed.

The educational component of the conversion process for management decision makers will on the whole be somewhat simpler because it can be considerably more general. Within limits, the kind of re-orientation to cost minimization and civilian type marketing, sales, etc. functions they require will be valuable to them regardless of what civilian activity they subsequently manage. At least insofar as formal training requirements are concerned, there is a greater similarity between effectively managing a paper manufacturer or computer company, than between effectively designing appliances or rail systems.

Existing business schools will probably prove competent to accomplish the kind of management re-orientation required. Existing engineering schools, however, will themselves require some redirection before they can effectively accomplish the required re-education of technologists. Though it might involve some trauma, there is every reason to be confident that these institutions can make the necessary

changes without excessive delay.

Individuals in production and lower level administrative functions can most probably be given the kind of re-orientation to civilian standards of performance they might require in an on-the-job situation. Formal occupational retraining will be needed only to the extent that the best civilian alternatives available to them in the economy at the point of conversion require somewhat different skills from those which they currently possess. It is undoubtedly a good idea, to provide some vocational retraining programs for such individuals, but it is unlikely that these will need to be anywhere near as intensive or extensive as the programs for engineers, scientists and managers. Even so, clear knowledge of the civilian alternatives available is once again critical to the economic and social effectiveness of retraining.

Preparing capital equipment and facilities for conversion is primarily a matter of assessing in detail what changes in layout, direct equipment and facilities, and supporting equipment and facilities are implied by the chosen civilian alternative. Given such an assessment, it should not be difficult to estimate both financing requirements and the time needed from start to finish for the actual physical conversion. This will in turn enable development of a financial plan, as well as effective coordination of this phase of the resource conversion process with the others.

Transition Support Services. Workers undergoing occupational transition, whether or not it is part of a process of conversion from military to civilian economy, must find ways of connecting with new job opportunities, getting whatever retraining is necessary, financing a move when relocation is required, and keeping body and soul together during the period between jobs. The burden of meeting all these needs can be greatly eased by the availability of appropriate social services.

Not all of the workers involved in the conversion process will be changing employers, and those who will not do not have to worry about locating new job opportunities or maintaining their income. They may or may not require retraining, and probably will not require relocation, but even when retraining or relocation is necessary it should be possible to finance them at least partially through employers, though perhaps with some public supplementation.

Those individuals who must change employers will generally have much greater need for social services. Besides direct income maintenance assistance, they will likely require temporary public replacement of some employment fringe benefits -- in particular group medical and dental insurance plans. An effective public program of employment

services will be critical in making them aware of the nature and location of the new employment opportunities which best match their skills. Along with counseling services, this will be of vital importance in enabling them to plan whatever specific retraining they may need. In addition, the employment service will facilitate the process of direct placement of dislocated employees into new jobs. To make the transition even smoother, the government could provide special tax or other incentives for employers to sign conditional employment contracts with potential employees during this period that in effect guaranteed the prospective employees a job with that organization upon successful completion of a mutually agreed upon program of retraining. In this way, individuals requiring retraining that could be expected to stretch over a period of from six months to a year would have some assurance that undertaking training into a particular area of civilian expertise would provide them with attractive re-employment. Aside from any direct government benefits, private enterprises (whether businesses or private nonprofit institutions) would gain from the increased certainty in planning such agreements would imply.

Operating the entire conversion process along the lines suggested will tend to minimize the amount of geographic relocation required. This is important because moves over extended distances tend to be very disruptive of family and friendship ties. While people develop social roots after living in an area for a prolonged period, their ability to re-establish roots in a new area should not be underestimated. This is particularly true of young people, who often actively seek a new area in which to live and grow. In fact, the general population of the United States is normally highly geographically mobile. For example, in 1970 more than 40% of the U.S. population lived in a different house than that in which they lived in 1965, and nearly 45% of this group had moved to a different county or a different nation.[38]

At any rate, the high degree of geographic concentration of military-related facilities virtually guarantees that some relocation will be required for some individuals. This is particularly true for engineers and scientists since they are concentrated within pockets of defense industry much more highly than they would be likely to be in any civilian-oriented industry. But, the engineers and scientists who work in military industry have already developed a pattern of extraordinarily high geographic mobility as a result of their occupational need to follow the shifting defense contracts. So the prospect of one more move, coupled with the enhanced likelihood of future geographic stability, should not be, for them, an overly difficult thing with which to cope.

Expenses incurred in relocation for the purpose of re-employment in a new area are already tax deductible as a matter of course. Supplemental government relocation allowances for one time, conversion-

connected single moves, along with aid in locating new housing, should go far in further easing the difficulties of relocating for those who must do so.

It is extremely important to the successful revitalization of the U.S. economy and society that the conversion process have a defined end. In order to avoid establishing new kinds of unhealthy dependencies, any effective conversion process must be designed to put itself out of business. The permanent existence of a very small version of the machinery for easing economic transitions may be of real value in a dynamic economy, but great care must be taken to avoid giving birth to large, new, self-perpetuating conversion bureaucracies.

Developing a Consensus for Conversion

As long as this nation remains a democracy, no process of economic conversion requiring the broad intervention of government can hope to be successful without the development of a political consensus to support it. This was true for the conversion to a military-oriented economy, and it is just as true for the conversion back to a civilian economy. The present consensus supporting the continuation of high levels of military expenditure derives primarily from two widely held beliefs, one economic and one military: (1) Military expenditure is economically necessary and beneficial; (2) Expansion in the quantity and quality of weapons systems and other components of national military forces increases national security. Both of these beliefs are wrong, in the most straightforward sense of the word -- they are simply at variance with the facts. It is for this reason that I believe the education of the general U.S. population to the objective economic and military realities of the present world is a critical pre-condition to the development of broad-scope support for the process of economic conversion discussed here.

Attention has been focused in the present paper on the economic side of the issue. It has been argued that the actual economic effects of sustained high military expenditure are highly destructive, and that these effects go far in explaining the unprecedented simultaneous high inflation/high unemployment which has become a fact of life in the U.S. With respect to weapons of mass destruction, the expansion of military systems reduces the security of the nations engaged in building up their forces, because they become increasingly endangered by their own weapons.[39] There is a great need for further exploration of both these areas of research, and perhaps even more critically for the popularization of the arguments and evidence developed by such work.

There is neither any need nor any value in conducting the educational process required for the development of a conversion consensus in a propagandistic fashion. I believe the clear presentation of the

objective facts, the logical linkages between them and their implications is more than sufficient to break the power of the illusions that have so long supported the continuation of high military expenditure.

In order for this educational process to have the maximum chance for success, it should not be completely confined to the presentation of scholarly treatises and the writing of journal articles. It must stimulate debate not only at conferences of academicians, but also at political gatherings, in school classrooms, union meetings, mass media programs, etc. Such grass roots debate is in the best traditions of U.S. democracy, and should at the very least raise the awareness of the public with respect to these critical issues.

It should be pointed out that the development of plans for the conversion of military-oriented resources to civilian activities is of considerable value even in the absence of a curtailment of military spending. Since military contracts periodically shift from one place to another, it would clearly be in the best interests of the workers in defense industry to have detailed plans for turning to the production of civilian-oriented goods and services when military contracts are terminated or lost by their firm. In this way, they could avoid being laid off until the defense contracts return. The availability of such ready plans is also an advantage to society in general because it permits some productive purpose to be served by these workers between defense contracts, and avoids the need to pay them unemployment compensation. Thus, it would make sense for unions to support at least conversion planning, even if they were not initially willing to support full-scale economic conversion.

As a rough estimate, the entire economic conversion process can be expected to take from two to four years. It will involve a great deal of detailed planning (mostly on a local basis) and careful implementation, at the cost of a considerable investment of time and effort. However, the economic and social benefits which will accrue as a result of this investment are truly enormous. The smooth and efficient transition to a civilian-oriented economy can be accomplished, but it requires nothing less than a national committment to insure its rapid and successful completion.

Footnotes

1. Full employment is defined in this way rather than as corresponding to 0% unemployment in order to allow for various forms of "frictional unemployment", including the temporary unemployment of those in transition between jobs. These are felt to be inevitable in a dynamic economy, and different in kind from the unemployment represented by increases in the unemployment rate beyond this base.

2. Their analysis was rather casual, and their estimates were characterized by the economists themselves as rough approximations. See Paul A. Samuelson and Robert M. Solow, "Analytical Aspects of Anti-Inflation Policy", American Economic Review (May 1960), p. 192.

3. Lawrence R. Klein and Ronald C. Bodkin, "Empirical Aspects of the Trade-Offs Among Three Goals: High Level Employment, Price Stability, and Economic Growth", Inflation, Growth and Employment, A Series of Research Studies Prepared for the Commission on Money and Credit, Prentice Hall, 1964, p. 393.

4. Bureau of Economic Analysis, U.S. Department of Commerce, Survey of Current Business (March 1976), pp. S-8 and S-13.

5. Adam Smith, The Wealth of Nations, Modern Library (1937), pp. 315 and 325-6. Smith was not writing solely of the military, but also included the king and his court, and the "ecclesiastical establishment", among others, in his category of unproductive labor.

6. The line of economic analysis presented here is based on that which has been developed, in considerably greater detail, by Seymour Melman in his powerful and insightful book, The Permanent War Economy: American Capitalism in Decline (New York: Simon and Schuster, 1974). Pieces of this analysis were presented in some of Melman's earlier books including Our Depleted Society (New York: Holt, Rinehart and Winston, 1965) and Pentagon Capitalism (New York: McGraw-Hill, 1970)

7. Bureau of Economic Analysis, U.S. Department of Commerce, Business Statistics (1973), p. 69.

8. Ibid, p. 40.

9. For example, the Air Force's C5A transport plane, which experienced a $2 billion cost overrun (i.e. excess of actual cost over original cost estimates) was produced under a firm "fixed price" contract. Payment was simply adjusted upward to cover the overrun. Thus the "fixed price" was fixed in name only. For a fascinating and detailed account of the operation of military procurement procedures in the case of the C5A and several other major weapons systems, written by a former Air Force Deputy for Management Systems in the Pentagon, see A. Ernest Fitzgerald, The High Priests of Waste (New York: W.W. Norton, 1972).

10. For a straightforward theoretical comparison of the effects of sales maximization and profit maximization on production costs under various contractual payment formulas, see Lloyd J. Dumas, "Payment Functions and the Productive Efficiency of Military-Industrial Firms", Journal of Economic Issues (June 1976).

11. Footnote 11 appears at end of list.

12. U.S. Senate, Committee on Labor and Public Welfare, Subcommittee on Employment and Manpower, Hearings: Nation's Manpower Revolution, Part 9 (Washington, U.S. Government Printing Office, 1964), p. 3146

13. Bureau of Economic Analysis, U.S. Department of Commerce, Survey of Current Business (June 1975), p. 30.

14. Interestingly enough, at least two of the developments most commonly cited as major examples of beneficial civilian fallout from military-related technology programs -- Pyroceram (made by Corning Glass Works), a material used first for missile nose cones and later for cookware, and medical telemetry devices -- were in fact products of long civilian technological development programs which spilled over into military applications. (See Edwin Diamond, The Rise and Fall of the Space Age (Garden City, New York: Doubleday, 1964), pp. 64-65.).

It is curious, however, that none of the advocates of the spillover benefits of military technology ever seem willing to accept the argument, which follows directly from the same logic, that if the transfer of technology between these two sectors is so high, we could just as well concentrate our resources on civilian technological development and let military technological advance proceed as a result of spillover.

15. "The Breakdown of U.S. Innovation". Business Week (February 16, 1976), p. 56.

16. Victor K. McElheny, "U.S. Science Lead Is Found Eroding", New York Times (March 14, 1976).

17. "Making U.S. Technology More Competitive", Business Week (January 15, 1972).

18. In an industry in which firms were making substantial profits, the cost increases could be absorbed for a time by the firm by its acceptance of lowered profits, though this could not be done indefinitely. However, firms which are earning substantial profits normally do so as a result of their possessing some degree of control over their markets, and to the extent that they have such market power they will be able to enforce a pass-along of costs in the form of increased prices. Firms under severe competition, on the other hand, will tend not to have a substantial enough profit margin to absorb higher costs, and so will be compelled to pass them along as higher prices. Thus in any case, over the long term higher costs lead to higher prices.

19. New York Times, July 25, 1971.

20. Seymour Melman, The Permanent War Economy (New York: Simon and Shuster, 1974), pp. 99-101.

21. To be completely protected, the dollar value of all assets owned by that person (e.g. stocks, bonds, savings accounts) would also have to be rising at least as fast as the rate of price inflation.

22. A rough estimate for the year 1967 was that the complete termination of all defense work would have released scientists and engineers with an aggregate total of nearly 8,000,000 person-years of education (see Lloyd J. Dumas, op. cit. 1970, p. 313).

23. I would argue that, at least as it applies to nuclear weapons and other weapons of mass destruction, many of these performance improvements not only have no direct military significance, but actually introduce complexity which renders weapons systems less reliable, thus reducing national security. It is rather like designing a device which slightly reduces the sound produced by the detonation of a dynamite stick, at the expense of making it more likely to accidentally explode in one's face.

24. See, for example, Davis B. Bobrow, "Military Research and Development: Implications for the Civil Sector", Annals of the American Academy of Political and Social Science (March 1973), pp. 120-121.

25. New York Times, July 27, 1972.

26. In fact, most foreign sales of arms are apparently funneled directly through the Defense Department, which buys the weapons from U.S. manufacturers and resells them to the foreign governments involved. (See Michael C. Jensen, "U.S. Arms Sales Are Complex", New York Times, April 15, 1975).

27. John W. Finney, "C5A Jet Repairs to Cost 1.5 Billion", New York Times, December 5, 1975.

28. Seymour Melman, op. cit., p. 47.

29. John W. Finney, op. cit.

30. Seymour Melman, op. cit., p. 85.

31. "BART in Transit", Newsweek, January 12, 1976.

32. Ibid.

33. New York Post, December 15, 1971.

34. Interagency Economic Adjustment Committee, Second Annual Report to the President on Federal Assistance to Defense-impacted Communities, (Washington: April 29, 1972).

35. It is only a rough idea because it focuses on money rather than resources.

36. Adapted from Seymour Melman, The Permanent War Economy (New York: Simon and Shuster, 1974), pp. 200-202.

37. In 1968, I roughly estimated that more than 95% of the engineers and scientists who would have been released from their place of employment even in the event of a total elimination of military activity could have been re-employed productively in areas such as urban renewal, teaching and transportation. (Lloyd J. Dumas, op. cit., 1970, pp. 313-320.)

38. Bureau of the Census, Statistical Abstract of the United States, 1975 (Washington: U.S. Department of Commerce, 1975), p. 37.

39. Lloyd J. Dumas, "National Insecurity in the Nuclear Age", Bulletin of the Atomic Scientists, (May 1976).

11. For a straightforward theoretical comparison of the effects of sales maximization and profit maximization on production costs under various contractual payment formulas, see Lloyd J. Dumas, "Payment Functions and the Productive Efficiency of Military-Industrial Firms", Journal of Economic Issues (June 1976).

THE SOFT SPOT: HOW TO ATTACK THE PENTAGON

MARION ANDERSON
THE PUBLIC INTEREST RESEARCH GROUP IN MICHIGAN

Have you been wondering why all the ideas you learned in Economics I haven't been working? Why the forecasts made at summit meetings of economists seem to go wrong? Why the U.S. economy, in utter disregard of all the rules of classical economics, suffers rising inflation and rising unemployment at the same time?

Well, there are reasons. Reasons that establishment economists have not wanted to face, and still refuse to face, because the great myth of the last three decades would then be exposed. The myth is that we are so rich, so productive and so favored that we can have both a huge and growing military establishment and simultaneously a healthy society replete with booming industry and all the social services we need.

This myth, born of a brief experience, and nurtured by those whom it benefitted has pervaded the American scene since 1945. People emerged from World War II with this experience imprinted in their minds: Five years ago they were standing in lines outside that said "No Help Wanted." The war came, some went into the Army, some went to work in war production, but everyone went to work. Moral: wars, or at least military spending, is good for the economy.

A number of big companies learned something too. They learned that cost-plus contracting is the businessman's bonanza. Just get that contract, and rake it in. Cost-plus means you get a guaranteed profit. In fact, if the price of overhead, materials, or labor goes up, you make even more money as Uncle Sam--i.e. the U.S. taxpayer--not only will absorb the extra cost, but increase your profits. A 10% profit on a $100 million contract is $10 million, but if expenses go up and you have an overrun, 10% of $200 million is a profit of $20 million.

The big corporations which had been making record profits during the war were loathe to get off the gravy train and go back into the more uncertain joys of free enterprise, where you didn't always make money. In fact, sometimes you lost it.

So, in 1948, the National Security Council, a small group of Presidential advisors closely tied to the Pentagon, met and decided in secret that from then on, into the indefinite future, 10% of the GNP should go to the Pentagon for personnel and for arms production.

This momentous decision to allocate not a fixed sum of money, not a budgeted amount, but a percentage of the GNP, was unique in American history. From it have come many of the strains and the troubles this nation has experienced in the three decades since World War II.

Since 1950, over two-thirds of the top technical and scientific talent of the U.S. has worked for the Pentagon and its contractors. This drain upon civilian industry is one of the reasons why we have not fully developed

alternative sources of energy, first-class high speed trains, and adequate housing at reasonable costs. The people to do this research have been busy elsewhere. They have been designing missiles, "smart" bombs, and flights to the moon.

The economy could survive the strain of this drain-off of talent for some years. We were the only major industrial nation to emerge from the war in 1945 not only unscathed but with a newly tooled and booming industrial plant. However, as the years passed and the Common Market nations plus Japan retooled their plants, we began to meet even stiffer competition in world markets. We became increasingly expert at building arms, while they were building ships, trains and the whole array of civilian goods. It is no accident that when the Shah of Iran was making his vast outlays, he bought military aircraft from us, but an entire system of electrified trains from the French.

As federal taxes were being pulled in huge quantities from the industrial states and, through military contracting and payrolls, redistributed to the South and West, the Northeast, and Middle Atlantic and the Industrial Midwest began to decline. Michigan, for instance, pays over $16 billion in taxes but gets back only $9.6 billion in federal spending, a loss of $6.4 billion.[1] This means that $1,000 per person in the Detroit area is sucked off to Washington never to return in any form--social security, HEW, education--anything. That money is gone, a net loss.

Even states as rich and productive as New York, Ohio, Michigan, and Illinois cannot sustain this kind of loss decade after decade without showing signs of the severest strain. The 1976 Detroit municipal budget deficit of $100 million is what the Pentagon takes out of Detroit <u>every three weeks</u>. And Detroit is now suffering an unemployment rate of about 30%[2].

The high taxes paid over the years and redistributed to the military and hence to the Sun Belt states have also had depleting effects upon civilian industries. They simply have not had enough money to reinvest.[3]

Unable to buy the newest machinery and faced with the high wage demands of American unions, many companies have moved their operations abroad to lower wage areas, thus accelerating the decline of many cities. George Meany, an unreconstructed Cold Warrior, instead of attacking the root problem, shouts loudly for protective tariffs which no doubt would have the same salutory effect on American industrial production the Smoot-Hawley tariff had in 1931.

The industrial depletion, closing factories, and declining income in civilian industry has been inexorably followed by more poverty, anger and despair. As job opportunities are reduced for the middle class, a sort of "bumping" goes on in which college-educated young people drive cabs, wait tables, and tend bars, thus displacing working class young people to the unemployment lines.

But everyone isn't suffering equally. The states with large amounts of military industry and huge military bases have been the beneficiaries of this redistribution of taxes. During the years that Lyndon Baines Johnson occupied the White House, the military contract going to Texas quadrupled from $1 billion to $4 billion. Georgia, doubly blessed with Rep. Carl Vinson presiding over the House Armed Services Committee and Sen. Richard Russell chairing the Senate Armed Service Committee, is similarly dotted with bases and lucrative contracts. A quick reference to the accompanying U.S. map will show which states have been gaining money and jobs during these years.

So, two big changes took place in the American economy between 1950 and 1975: the movement of capital and technical talent from the civilian sector of the economy into the military sector; and the movement of tax money from the industrial states of New England, the Middle Atlantic states, and the industrial Midwest into a belt beginning with Virginia and going south and west to California.

Strange economic symptoms have shown up during the past decade. Inflation, historically low in the U.S. except in wartime, has risen to unprecedented heights. Bouts with wage and price controls have been a little like giving aspirin to a patient with pneumonia: the fever goes down temporarily and masks the causes of the disease, while the patient's condition continues to deteriorate, The second system of a decaying economy-unemployment-remains stubbornly high in just those cities which once were Meccas for the poor of Europe and the South.

The industrial depletion described above is one of the causes. The other is the Defense Department budget itself. Spending money on the DOD has the unique characteristic of simultaneously causing unemployment and inflation. Inflation results because people are being paid to produce products which no one can buy. After payday, workers in military factories go out and buy from the same stock of food, housing, and medical care as do the rest of us. But their work has not increased the common stock of needed goods and services. The prices for all these items are therefore bid up--hence, inflation.

Spending money on the military causes unemployment because fewer jobs are created for each billion dollars spent on the military than if the money were spent in any other way.

Table I. Jobs Created Per Billion Dollars of Expenditure[4]

Jobs created by:	If spent to create jobs in industry	If spent to create jobs in government
$1 billion spent in civilian sector	65,000 jobs[5]	100,000 jobs[7]
$1 billion spent in military sector	55,000 jobs[6]	79,000 jobs[8]
Jobs foregone by spending on the military	10,000 jobs	21,000 jobs

If money were taken out of military contracting and--either through a tax cut or reallocation to other governmental programs--put toward civilian needs, the nation's economy would benefit. Depending on exactly how the money were spent, this could create at least 10,000 more jobs per billion dollars transferred and possibly 20,000 or more.

If instead of military contracts we reduced the number of armed forces personnel, both civilian and military, and used the same money to hire more firemen, teachers, state parks personnel, and other state and local government employees, the economy would gain 21,000 jobs per billion dollars transferred.

Thus, each billion dollars which has gone to the Pentagon over the years has cost the economy a minimum of 10,000 jobs. The $104 billion Defense Department budget requested by President Ford in 1976 will cost the economy over 1,000,000 jobs.

The combination of factors--the widespread acceptance of the myth that military spending was good for the economy; the anxieties caused by the Cold War, Korea, and Vietnam; and the symbiotic relationship of the military and its contractors--has allowed the rise of the Military-Industrial Complex. Institutionalized in the Pentagon, the CIA, the National Security Agency, and the armed forces lobbying organizations, it grew and prospered virtually untouched and unmolested until Vietnam.

President Johnson perhaps personified the hope and the contradictions of mid-century America. Born poor, he ascended to the White House determined to do something for the Blacks and the poverty stricken of our country. Yet the "machismo" tendencies, which so often have led men to war, made it impossible for him to say no to the advisors urging him into Vietnam, thus simultaneously destroying his Great Society and his presidency.

Johnson could not or would not face the fact that he had to make a choice: The Great Society or Vietnam. His deception extended even to his own advisors. He never allowed Secretary of Defense McNamara to tell the Council of Economic Advisors how much the war was costing. Their predictions, upon which much economic policy was based, were erroneous. This, of course, exacerbated economic problems then, and since.

By 1965, a considerable portion of the society had been co-opted either by choice, by geography, or by economic circumstances into the Military-Industrial Complex.

A number of unions with membership working in military industries could always be counted on to plead vigorously for a continuation of their current contract or to press for a new one. Military, management, and the unions were thus united in their desire to continue and increase military spending. When a major portion of a union is pleading for more contracts, it becomes difficult for the top officers to lobby against the military budget as a whole.

This dilemma, combined with George Meany's well publicized support for every type of military expenditure and venture, made most of the labor movement quiescent until Vietnam.

Many academics were also silent. If you inquired you would find out that a neighbor in the physics department had just gotten a nice DOD contract, or that a social science department was hoping to get a little research money from the Air Force. Presidents of great universities scrambled to get on the contract gravy train, and then screamed when dumped off unceremoniously as the war in Vietnam consumed all the available money.

However, enough of academia was either not getting much contract money, or was touched by the anguish of their students being drafted to fight in a war they abhorred. Many colleges and universities became major bastions of resistance to the war in Vietnam. So the universites were only partially co-opted, but it took Vietnam to jar them loose from their contract-fed complacency of the fifties and mid-sixties.

With cities and states, the splits became more evident every year. Southern and many Western mayors are all for a continuation of high military spending. The Northern and Midwestern mayors--faced with layoffs, unprecendented deficits, and fiscal crises--finally, in 1976, passed a resolution saying that the cities should get as much money as the Pentagon. Except for a occasional ideologue, the split here is predictable: the mayors whose cities get the military money think that the present arrangement is fine; those who don't want a change.

Members of Congress follow similar lines of thinking. Some, like Sen. Robert Griffin of Michigan, or Sen. James Buckley of New York, will vote for every nickel that the Pentagon wants no matter how much it hurts their states. Others, like Proxmire of Wisconsin or Bayh of Indiana display a sustained and healthy skepticism toward the voracious demands of the Pentagon. They realize that as the Pentagon prospers, their states decline.

Let us examine briefly some big American institutions and their stands on the Military-Industrial Complex.

Business has historically been sympathetic to Pentagon demands, although many individual businessmen are not. The trade union movement is split with some portions now aware of the military's economic stranglehold. Churches, except for the historic peace churches and the actions of the main line denominations during the Vietnam war, have remained largely quiescent.

The universities now contain a good many faculty members who came of age politically during the events of the sixties, and who have a new and more realistic view of the society. They do not, of course, form a majority of university presidents, deans, or department heads. Most professional associations do not see this as a big concern. However, the layoffs of teachers are becoming so severe in many areas that the National Education Association and some local and state teachers' organizations may be ready to move.

Congress is split. As in the early days of the Vietnam war, many more Representatives and Senators are against a growing military than will vote against it when appropriations time comes. There is not, however, the deep ideological Cold War mentality that was so pervasive during the fifties and early sixties. Key votes, such as on the B-1 bomber appropriation, are now down to a 10 vote margin in the House instead of 200 to 300 vote margins of a few years ago.

So where is the soft spot in all this armor? We may now be coming to an era of new attitudes. A new look is needed at the budget of the Department of Defense, that $100 billion annual bill that gets handed from the Pentagon to the White House to the Congress to the American taxpayer. There is now skepticism about one keystone to approving these monstrous sums year in and year out--the argument that it created jobs, that it was good for the U.S. economy.

Two years ago, I found the facts to disprove this argument, to unmask it for the myth it was, and to turn the tables on the contractors, the generals, and the highly paid lobbyists who make so free with our tax money.

One day while reading the manuscript of a new book, I came across a statistical regression analysis showing over a thirty-year period what happened to various sectors of the economy when the military budget went up or down. Professor Bruce Russett of Yale had done an analysis which showed the following:

Table 2. Expenditures Foregone by Sector of the Economy for each Billion Dollars Spent on the Military[9]

$187,000,000	on services
163,000,000	on durable goods
128,000,000	on state and local government consumption
114,000,000	on residential structures
110,000,000	on producers durable equipment
97,000,000	on exports
71,000,000	on non-durable goods
68,000,000	on non-residential structures
48,000,000	on federal civil purchases
25,000,000	on imports

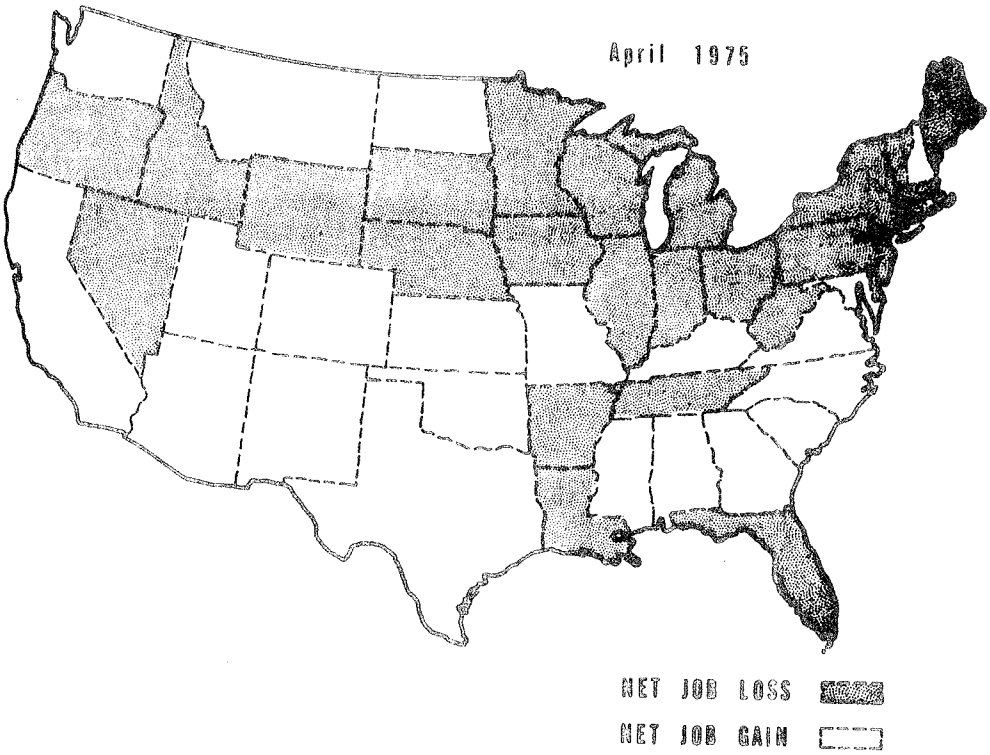
If Dr. Russett could show how much money was not spent (foregone) for these sectors of the economy, it seemed that it might be possible, with a careful methodology, to show how many jobs were foregone in each of these sectors. After about nine months of work, we computerized the data and, at one a.m. on a freezing Michigan February night, the MSU computer began to spit out the data, state by state.

Until we added up the totals on a state by state basis, we never knew whether the Pentagon's spending created or cost more jobs in the nation as a whole. We had factored in the pay of uniformed and civilian military personnel in each state, and all the jobs created by military construction and military industry in each state. We subtracted all the jobs lost in durable goods, non-durable goods, services residential construction, nonresidential construction, and state and local government as a result of tax money syphoned off to the Pentagon budget. So we ended up with a net figure for the U.S., and for each of the fifty states.

We found that the military budgets of around $80 billion from 1968 to 1972 had cost the economy 844,000 jobs. Each additional billion dollars to the Pentagon caused about 10,600 jobs to disappear. We also found that 60% of the population live in states which suffer a net loss of jobs when the military budget goes up.

The results are even more dramatic when viewed regionally. The Middle Atlantic and the East North Central states together lose over one ane one-quarter million jobs. The Great Plains states lose. The South Atlantic and West Central states, on the other hand, gain over one-quarter million jobs.[10]

The state-by-state figures on net jobs foregone take on a more human meaning when compared to their average employment during the years studied. For five of the largest industrial states--New York, Illinois, Michigan, Ohio, and Pennsylvania--the jobs foregone becuase of high Pentagon budgets averaged 85% of their total unemployment between 1968 and 1972. This means that military spending had an enormous impact upon their unemployment insurance costs, their welfare expenditures, and the state services never provided because of a lowered tax base and higher social welfare costs. The relationship of jobs foregone to unemployment in each of the states which suffer a net loss of jobs is shown in table 4.


April 1975
NET JOB LOSS
NET JOB GAIN

Spending Annual Average, 1968-1972.

State	Number of Jobs Foregone or Gained
1. New York	-426,000
2. Illinois	-174,000
3. Michigan	-172,000
4. Ohio	-146,000
5. Pennsylvania	-127,000
6. Wisconsin	- 72,000
7. Indiana	- 57,000
8. New Jersey	- 53,000
9. Minnesota	- 47,000
10. Tennessee	- 40,000
11. Iowa	- 37,000
12. Massachusetts	- 35,000
13. Oregon	- 33,000
14. Florida	- 23,000
15. West Virginia	- 22,000
16. Nevada	- 15,000
17. Arkansas	- 12,000
18. Connecticut	- 9,000
19. Louisiana	- 9,000
20. Vermont	- 4,400
21. Nebraska	- 4,200
22. Idaho	- 4,000
23. Maine	- 3,800
24. Delaware	- 1,000
25. Wyoming	- 1,000
26. South Dakota	- 100
27. Missouri	+ 1,500
28. Montana	+ 2,000
29. Rhode Island	+ 4,800
30. New Hampshire	+ 5,500
31. Arizona	+ 7,700
32. Maryland	+ 8,000
33. Alabama	+ 9,000
34. New Mexico	+ 10,000
35. North Dakota	+ 10,000
36. Kentucky	+ 14,000
37. Kansas	+ 16,000
38. Mississippi	+ 17,000
39. Utah	+ 19,000
40. Washington	+ 25,000
41. Colorado	+ 25,000
42. Alaska	+ 29,000
43. Oklahoma	+ 32,000
44. North Carolina	+ 33,000
45. South Carolina	+ 36,000
46. Hawaii	+ 38,000
47. Georgia	+ 55,000
48. Virginia	+ 56,000
49. California	+ 97,000
50. Texas	+133,000

UNITED STATES TOTAL: 844,000 jobs.

Table 4. Jobs Foregone as Percentage of Total Unemployment. Annual Average, 1968-1972.[12]

State	Number of Jobs Foregone	Average Number of Unemployed Persons	Jobs Foregone as % of Unemployment
New York	426,000	382,000	112%
Illinois	174,000	191,000	91%
Michigan	172,000	230,000	75%
Ohio	146,000	171,000	85%
Pennsylvania	127,000	207,000	61%
Wisconsin	72,000	83,000	87%
Indiana	57,000	92,000	62%
New Jersey	53,000	175,000	30%
Minnesota	47,000	71,000	66%
Tennessee	40,000	68,000	59%
Iowa	37,000	41,000	90%
Massachusetts	35,000	143,000	25%
Oregon	33,000	50,000	66%
Florida	23,000	90,000	26%
West Virginia	22,000	41,000	54%
Nevada	15,000	14,000	107%
Arkansas	12,000	35,000	34%
Connecticut	9,000	83,000	11%
Louisiana	9,000	79,000	11%
Vermont	4,400	9,000	49%
Nebraska	4,200	19,000	22%
Idaho	4,000	15,000	27%
Maine	3,800	24,000	16%
Delaware	1,000	10,000	10%
Wyoming	1,000	6,000	17%
South Dakota	100	9,000	1%

Of the 60% of U.S. citizens who live in states which suffer a net job loss, the overwhelming majority of them live in highly industrialized states which do not contain large military bases.

During the period studied, 1968-1972, most of the New England states were net loss states. Only Rhode Island and New Hampshire showed slight gains. The region as a whole lost about 42,000 jobs annually. This was true even when Connecticut was getting heavy military contracts because of the Vietnam war, and Massachusetts was getting substantial contracts for research and development.

In the Middle Atlantic region, every state lost, with New York losing more jobs than any other state in the country--an astounding 426,000. New Jersey and Pennsylvania lost heavily even though they received substantial military contracts and both states host some military bases. The losses they sustained in civilian industrial production, coupled with the very large number of jobs which they had to forego in services and state and local government, resulted in 53,000 jobs foregone in New Jersey and 127,000 in Pennsylvania.

The Great Plains states showed a more varied picture. Although the region as a whole showed a net loss of 60,000 jobs, some states gained. The industrial belt suffers the worst: 621,000 jobs were foregone in the East North Central states of Ohio, Indiana, Illinois, Michigan, and Wisconsin. This region, the industrial heartland of the nation, showed a net loss of over 360,000 jobs just in the industrial sectors of its economy (durable and non-durable goods). With relatively few military bases to compensate and a very substantial number of jobs foregone in services and state and local government, this region was the hardest hit in the nation.[13]

The states which showed net gains in jobs from military bases and industry form a geographic band which begins in Maryland and extends south to Georgia (Florida is excluded), west to California (excluding Louisiana), and north to Washington (omitting Oregon).

The South Atlantic region, which includes Delaware, Maryland, Virginia, West Virginia, and Florida, gained 142,000 jobs. Delaware, West Virginia, and Florida lost jobs; the other states gained heavily. Virginia, North and South Carolina and Georgia had almost 427,000 military personnel stationed within their borders. Over 105,000 military personnel were living in Florida, but their presence was not sufficient to overcome the large job losses in residential construction and services.

Texas led the West South Central section with a net gain of 133,000 jobs. Texas was receiving an average of $2.5 billion worth of military contracts during these years, generating about 88,000 jobs a year. There were also 247,000 uniformed and civilian military personnel stationed there each year. Therefore, Texas' net gain was large, the largest in the nation. Oklahoma also gained, about 32,000 jobs. Arkansas, however, lost almost 12,000 jobs during each year of the period studied.

Washington, with both troops and contracts, and Alaska and Hawaii, with large military bases, were all net gain states. Only Oregon of the Pacific Coast States lost jobs--33,000 of them.[14]

It is important to analyze, both by state and overall, the totals by sector of the economy.

Jobs Foregone by Sector of the Economy.
Annual Average, 1968-1972.[15]

Sector	Gross Jobs Foregone	Military Jobs Created	Net
Durable Goods	-796,000	+806,000	+ 10,000
Non-Durable Goods	-353,000	+ 52,000	-301,000
Residential Construction	-428,000	+ 58,000	-370,000
Non-Residential Construction	-253,000	+ 11,000	-242,000
Services	-1,528,000		-1,528,000
State & Local Governm't	-1,012,000		-1,012,000
Jobs foregone in industry, services, and state & local government:			-3,443,000
Uniformed and non-uniformed military personnel employed in the United States.		+2,599,000	+2,599,000
NET JOBS FOREGONE NATIONWIDE			-844,000

Thus, the construction industry loses over 600,000 jobs when the military budget is $80 billion. There are over 1,500,000 fewer jobs in services and over 1,000,000 fewer jobs in state and local government.

If a person lives in a net loss state and wishes to find out how many jobs a one billion dollar rise in DOD spending will cost, simply take the net loss figure for that state in the table and divide by 80*. For New York with a 426,000 job loss, the loss per billion dollars is 5,500 jobs. Thus President Ford's demand for a $104 billion Pentagon budget will cost 146,000 more jobs in New York state, or a total net loss of 572,000 jobs.

This data is, of course, politically significant. It can be used in a number of ways. Senators, Representatives, mayors and candidates for public office can all be asked before and after elections and on specific votes if they really want to cost their own constituents jobs. Elected officials are very sensitive to this. In preparation for testimony before the House Armed Services Committee last winter, I did an analysis of the Congressional District of each member of that committee who came from a net loss state. I found the following:

* $80 billion was the average DOD budget for the years studied, 1968-1972.

Congressman and Party	Location and State	Number of Jobs lost in District Due to an $80 Billion Military Budget
Rep. Melvin Prince, D.	E. St. Louis, Illinois	7,800
Rep. F. Edward Hebert, D.	New Orleans, Louisiana	1,200
Rep. Charles Bennett, D.	Jacksonville, Florida	900
Rep. Samuel Stratton, D.	Albany, Schenectady, N.Y.	8,600
Rep. Lucien Nedzi, D.	Detroit, Michigan	10,300
Rep. Robert Mollohan, D.	Wheeling, Parkersburg, W. Virg.	6,500
Rep. Les Aspin, D.	Racine, Kenosha, Wisconsin	7,100
Rep. Bob Carr. D.	Lansing, Jackson, Michigan	8,300
Rep. Tom Downey, D.	Suffolk County, New York	9,800
Rep. David Treen, R.	New Orleans, Louisana	800
Rep. George O'Brian, R.	Chicago, Joliet, Illinois	8,200
Rep. Robin Beard, R.	Memphis, Clarksville, Tenn.	4,900
Rep. Donald Mitchell, R.	Rome, Utica, New York	9,500
Rep. Elwood Hillis, R.	Anderson, Marion, Indianapolis, Indiana	5,000
Rep. Richard Schulze, R.	Philadelphia, Pennsylvania	4,900

I released these findings to the Washington press corps and to the Congressmen's local newspapers on the morning of my appearance. By the time I appeared, many of the fifteen Congressmen had been inundated with calls from their hometown newspapers, "Mr. Price, I understand that your votes are costing us 7,800 jobs a year." Both incumbents and challengers have used similar analyses, based on the data in my study, in electoral campaigns.

Governors and mayors from net loss states, if they understand this data, can also be expected, even urged, to bring pressure on Congressional delegations to vote against excessive military expenditures.

Unions whose members are suffering considerable unemployment are often responsive when they understand the problem. Rank and file members want to know the causes of their economic troubles, and are open to ways of curing them. Most of the 1,500,000 member United Auto Workers, the constructions workers, the ILGWU, teachers unions, and the many other non-military unions lose jobs because of high Pentagon budgets. The nation's fastest growing union, AFCSME (American Federation of State, County, and Municipal Employees) has taken leadership in educating its members and the public about this problem.

Union leaders are using this data to make three main points:

1) There is enormous waste in the military budget. There are more officers now with a 2,000,000 member peacetime army than when we had in an 11,000,000 member army during World War II. There is no need to increase the overkill. Terminate cost-plus contracting--it makes a few executives rich and causes you to be overtaxed.

2) We are overtaxed. All (yes, 100%) of the U.S. personal income tax between 1960 and 1974 went to the Pentagon. A federal tax cut would allow more income to be voted for state and local taxes and to be spent by individuals as disposable income. Both uses of the money would create more jobs.

3) We must have conversion legislation. This would simultaneously deprive the Military-Industrial Complex of some of its most vigorous lobbyists--union members who fear unemployment--would help the economy.

The responses on the part of union audiences have varied from warm to enthusiastic.

The mystique of the generals and of the Pentagon is gone, buried in the mud and despair that was Viet Nam. The cities and the country are crying out for change. The data which are presented can be used in homes, in union halls, in elections, to destroy the keystone of the MIC. America is waking up to the realization that billions for the Pentagon means millions of unemployed.

* * *

FOOTNOTES

1. Unpublished data obtained from Dr. James R. Anderson, Humanities Department Michigan State University. For earlier years, see Anderson, James R., "The Balance of Military Payments among States and Regions, "The War Economy of the United States, Seymour Melman, editor, St. Martin's Press, 1971.

2. Dr. Milton Taylor, Economics Department, Michigan State University.

3. Dr. Seymour Melman, Our Depleted Society, Holt, Rhinehart and Winston, 1964.

4. Marion Anderson, The Empty Pork Barrel: Unemployment and the Military Budget, PIRGIM, 590 Hollister Building, Lansing, MI. $1.00

5. Bureau of Labor Statistics, Department of Labor.

6. Bureau of Labor Statistics.

7. Office of the Comptroller, Department of Defense.

8. Office of the Comptroller, Department of Defense.

9. Bruce Russell, What Price Vigilance?, Yale University Press, New Haven and London, 1970, P. 140.

10. Empty Pork Barrel, p.2.

11. Empty Pork Barrel, p.2.

12. Empty Pork Barrel, p.3.

13. Empty Pork Barrel, p.3.

14. Empty Pork Barrel, p.3.

15. Empty Pork Barrel, p.3.

SOCIAL WELFARE AND SOME IMPLICATIONS OF NON-VIOLENCE

Mulford Q. Sibley
University of Minnesota

A new journal has made its appearance. It is called Soldier of Fortune and is devoted to the concerns of "professional adventurers"--that is, to those who would like to become hired violent fighters in various parts of the world. The journal opens its columns to their advertisements: "Ex-marine seeks employment as mercenary, full-time or job contract, prefers South or Central America but all offers considered." "Experienced mature fighter/seeks assignment anywhere...." In defending his journal from the charge of encouraging brutality, the founder says: "After all, booze is brutal, cars are brutal, sex is brutal. There's a need for guns and explosives, and for adventure in foreign lands....Sure, some of the guys who buy it are flamboyant, devil-may-care people, and some are brutal, but life is brutal, isn't it?" The editorial board is composed of specialist heads of departments: thus there is a "knives editor," a "terrorism editor," and so on.[1]

The new journal simply reflects a prevalent extensive commitment to violence throughout the world and particularly in the United States. Ruth L. Sivard, author of the recently published World Military and Social Expenditures, 1976,[2] dramatizes this devotion against a background of eroding education and social welfare and of poverty on a gigantic scale. Thus the world as a whole expends each year some $300 billion on preparation for war and about 60 million persons throughout the globe owe all or a substantial part of their livelihoods to the military. During all the period of the SALT talks, armaments continued to increase. In two years of the negotiations, the United States added 2,000 nuclear weapons to its stockpile (the number went up from 6000 to 8000 strategic nuclear devices). In the same period, the Soviets escalated, too, although at a somewhat lesser rate. Total nuclear weapons in the world increased from two in 1945 to some 12,000 today. Even with such agreements as the nuclear test and non-proliferation treaties, armaments continued their upward climb.

In this country, two-thirds of all national government employees work for the Department of Defense. And the great bulk of the national debt was accumulated for warfare, not welfare.

The United States furnishes arms to a wide variety of countries--to both Jordan and Israel, for example; and the sales (perhaps $12 billion during the current year) continue to mount, government authorities often defending them on the ground that they help correct the international "imbalance" of payments.

Domestically, of course, we need only remind ourselves of what is familiar to every well informed person. Police armaments have escalated during the past five years, crimes of violence show little indication of sharply declining, and the

kinds of subtle yet terrible violence reflected in the disintegration of cities have mounted. And social workers are thoroughly familiar with the increase in child abuse.

A variety of conditions, of course, contributes to these phenomena. The arms race, while it exacerbates violence, also reflects international social and political tensions. Police violence, although it probably does nothing to abate violent crime as a whole, reflects the genuine concern of citizens for the escalation of violence in general. The advertisements in Soldier of Fortune can perhaps be connected with a kind of distorted desire to find life exciting--an effort to break out of our bureaucratized civilization, an endeavor to discover in killing and intrigue the adventure so often lacking in a complex technological world.

The pioneers in social work were, of course, familiar with wounds inflicted by violence in their time and at the same time with the futility of utilizing violence to heal those wounds. Leaders like Jane Addams and Lilian Wald saw the poor and the powerless as victims of a violent world--a world which could be met, not on its own terms, but only under the guidance of a radically different ethic. They had a vision of humankind which was far in advance of the views prevalent in their generation. Thus Jane Addams refused to be deceived by the argument that World War I could in any way contribute to the cause of democracy and peace, even though she was often ridiculed for her position.

In our day, those devoting their lives to social welfare have a special responsibility to think through the implications of war and violence--and of non-violence--for individuals, for groups, and for nations. Among the questions they should ask themselves are: Why should we be expending 6 to 7% (and upwards of 10% a bit earlier) of our Gross National Product on the military, as against about 1% in the last days of Calvin Coolidge as President? What is the relation, if any, between the commitment to violence and the starvation of social services? Is there a connection between domestic violence and public commitment to the international arms race? What are the respective faiths of violence and non-violence?

It is to the latter question that this paper is centrally devoted, although in the process we shall be referring to several of the others as well. We maintain that while disintegrating institutions, conflicts within the psyche, and many other factors are, of course, important in accounting for the violence of our world, still that world would not exist without a profound if often unarticulated faith in the efficacy of violence. Likewise, while the achievement of a non-violent world will depend upon many institutional and psychological factors, it cannot be attained unless and until we think through and commit ourselves to a basic faith in non-violence. The issue, in other terms, is between two faiths--on the one hand, a devotion to certain myths which sustain violence; on the other hand, and in sharp contrast, confidence in a series of reverse propositions. We escalate the arms race because of a faith; and the only way in which we can

de-escalate it will be to develop a counter-faith from which a non-violent world will emerge.

What are some of the central elements of this faith in non-violence and its implications for the practical issues confronting society?

We deal with this question by first turning to a provisional definition of non-violence; then suggesting some implications of non-violence for personal relations; and finally, examining its meaning for the social and political world. Throughout, we shall be insisting that we cannot have it both ways: we cannot combine social welfare, in the long run, with reliance on violence; nor can we develop a non-violent society in the absence of an expansion of social welfare in its several dimensions. And we can no more usher in a world of social equity through violence than we can speak of "hot ice."

1.

As a kind of provisional or working statement, we may suggest that non-violence is a view, reflected in practice, which insists that in human relations--whether personal or socio-political--we respect human beings as ends in themselves and that we so intend and act that we do not seriously injure them in body, mind, or spirit. There are two basic elements in this statement: (a) that we do not intend to injure seriously or irremediably; and (b) that we seek intelligently to engage only in those actions which will in a particular situation not injure in fact. Gandhi used the word ahimsa, without harm or injury. We are suggesting that intentions are never enough; one also has a duty, insofar as one can, to select consciously and with knowledge only those methods which are likely to lead to the goal of "harmlessness." This implies that we have a broad and sophisticated awareness of what the often-complicated consequences of a given act are likely to be.

The statement, of course, bristles with ambiguities. So long as life exists, for example, and no matter how careful we are, our means may sometimes lead to violence. Does this mean that we should therefore give up the attempt to be non-violent? Of course not. For inaction, by seeming to tolerate the violence built into the status quo, might itself be encouraging a violence-prone society.

Then, too, the statement in itself says nothing about "force" and "coercion," which are themselves very ambiguous terms. Sometimes "force" and "violence" are equated. We are not doing so. Force and coercion of some kind--physical, intellectual, spiritual, economic, social--would seem to be inseparable from human existence, as are "individuality" and "conflict." But not all physical force or coercion, for example, is violent. When it is used under restrained and circumscribed conditions for the purpose of benefiting the individual involved or at least for ends which do not entail his serious injury, it may be legitimate: the context of the act is vitally important. When I forcibly pull a child from the pathway of an automobile, I am not being violent, any more than when I carefully

but forcibly keep a temporarily deranged person from slashing his wrists. When a policeman pushes two potential antagonists apart, he is not being violent but rather is endeavoring to prevent violence. Acts of these kinds are to be sharply differentiated from, let us say, the bombing of a city, the killing of a "criminal" by the State (euphemistically called "execution"), or the toleration of social conditions which lead to gross disrespect for human personality. Shooting a public official in order to reform society cannot be equated morally with refusal to co-operate with his illegitimate acts. Both torturing a prisoner and conscientiously boycotting a dime store may be regarded as coercive; but surely there is an important moral distinction.

Applying tests of these kinds, of course, is not always easy. But the drawing of lines in any application of ethical norms is never without its hazards. All we can expect of ourselves as rational beings is that we endeavor to be clear in our own minds about the standards we are seeking to apply and as well-informed and intelligent as possible in implementing those standards.

But it is extremely important that we have standards of some kind; and the quest for criteria of non-violence is one which seeks to recognize this importance. Violence itself may often be due to the fact that we have few if any standards, so that when we are confronted by a crisis situation we often succumb to the pressures of the moment which make for violence.

Both from a general viewpoint and particularly from the perspective of social welfare, it is important to recognize the significance of what is called institutionalized violence. Built into the structure of institutions themselves may be patterns of severe exploitation and inequity which undermine the norms we have sought to suggest. A revolutionist hurling a bomb may be protesting an institutional structure more violent than his own act. The advocate of non-violence must be fully aware of this; and while he will repudiate the methods of the revolutionist, he will sympathize with his objectives. Non-violence does not imply passivity. Indeed, it suggests constant activity against injustice, exploitation, war, and militarism but only by means which differentiate themselves from the spirit of these phenomena. Thus the worker against injustice will not employ methods which themselves tend to encourage injustice (perhaps of another kind); and the advocate of peace will not use war in a futile effort to gain his end. To wage war tends to produce more war; to kill or to threaten to kill (whatever the excuse) encourages the desire to kill, not the impetus to respect human life.

2.

Now it is with some such conception of non-violence that we approach the question in terms of personal relations. The ethic of non-retaliation is an exemplification of the notion of non-violence: I shall not reply in kind to your failure to show respect for me as a person. If we are seeking the "rehabilitation" of an individual, we ourselves must be impeccable by setting the standard for non-retaliatory action. We cannot teach a thief to be honest by stealing from him; a person to be loving by exemplifying hate; or a victim of an exploitative social sys-

tem to gain self-respect by treating him as if he were not worthy of respect. The only hope is to make a kind of leap of faith and to see in the thief a person who can transcend his past; in the person consumed by hatred an individual who has possibilities of exemplifying love; and in the victim of exploitation, one who can rise above his low self-esteem if only others treat him not so much as the man he is but as the man he can be. In all these situations, imagination is an important ingredient of non-violence and non-retaliation. The unimaginative individual is one who cannot see beyond the present to the potential. There will, of course, be failures if we act in this manner; but the failures will be far greater if we implement the reverse attitude.

One of the interesting but unsolved problems (at least it would seem difficult to subject to a scientific test) is the effect of public violence on the domain of personal violence. If the State and public officials are committed to an ethic of retaliation or of violence, is it not reasonable to assume that their prestige will affect the ways in which we treat one another in private relations? If the State threatens to wipe out Moscow under certain circumstances, why is not this a kind of moral license for me or my organization to threaten to obliterate my enemies under specified conditions? When a gang "rubs out" the leaders of an opposing organization, it may be reinforced in its action by the fact that the government "rubs out" its international supposed enemies. After all, what is the difference morally between a plan to kill Castro or thousands of Japanese in Nagasaki and a scheme of the "Cosa Nostra" to liquidate physically those who challenge it? During the Vietnam War, I remember asking a social psychologist whether there was a relation between the terror bombings and massacres being carried out in Vietnam under the auspices of the government and the seemingly increasing disrespect for human life within the United States. His reply was that he saw every reason for assuming this to be true. Confucius would apparently have given the same answer, for much of his political philosophy is rooted in the notion of the ruler as "exemplar." The Emperor in his official acts must set the example for his subjects in their private relations; for while institutional authority--that which goes beyond any given ruler--is important, still if the ruler himself sets the wrong example, how can one expect his subjects to act rightly?

At least this is a hypothesis worth considering.

To be sure, the incidence of public violence may also be affected by the prevalence of private violence. The police become more menacing in response to the growth of crime; and reliance on international weaponry is part and parcel of the ethos of private violence. We can admit all this and still plausibly contend, however, that the probability is that the influence is heavily weighted the other way. Rulers and political systems carry with them the prestige and the authority of a whole society and so there is a tendency on the part of private individuals to conclude that if a thing is permissible in public action, it must also be morally acceptable (if not legally so) in private affairs. There is some evidence, for example,--although it should not be considered conclusive--that, other things being equal, countries enforcing the death penalty encourage murders. We do know that the death penalty apparently does not <u>discourage</u> killing.

We might also observe that insofar as we already adhere to the ethic of non-violence in private relations, it is not primarily as the result of threats by the police but rather because, to a very widespread extent, even in a violent culture, most human beings have the faith, exemplified in habit patterns, that all human beings are capable of love and intrinsically worthy of respect. Generally speaking, if we trust the other person, he will justify that trust; and while there will be many exceptions to this rule, without its presence anything resembling a human community would be impossible. Insofar as the police are "effective," it is because a sufficient level of community exists to make them so.

Implicitly, the profession of social work is committed to the notion of non-violence in personal relations, else it denies its reason for being. Whatever the context might be, it, above all professions, should be anchored in the faith that there is that within each human being, however it may have been suppressed or concealed by institutionalized exploitation and violence or psychological factors or misfortune, which makes for the possibility of rationality, love, and non-violence. One way of uncovering this quality is for others to see it even before the individual is aware of it himself. The individual can regain his or her self-respect if others show their respect for him not as he apparently is in the existential situation but rather as he can become. When he is at length aware of others' respect and confidence, demonstrated through actions and not merely talk, he will eventually re-discover his own worth and rebuild his own respect. Whether the individual be a murderer, a welfare mother, a poverty-stricken child, or an individual distraught by psychological conflicts and guilt, a key factor in the philosophy of social work is the restoration of self-respect. And this can be accomplished only in close association with the principles of non-violence.

But so closely are public and private realms associated in the modern world that the very basis for non-violence and self-respect in personal relations is heavily conditioned on our attempting to implement the principle in the public realm as well. So long as we are strongly committed to the ethos of violence in politics and the organization of society, we shall be limited in what we can do to develop justice and non-violence in the private sphere. This is true first of all because, as we have suggested, the public example will tend to affect practices in the realm of personal conduct and, secondly, because heavy commitment to violence will, both financially and psychologically, deprive social welfare broadly conceived (social work, education, mental health, and so on) of indispensable resources of scarce goods and equally essential resources of spirit and morale.

3.

In a celebrated passage, the late R.H. Tawney comments, in the context of sixteenth century economic development, on the human race's proclivity for wasting its substance through violence and war:

> Mankind, it seems, hates nothing so much as its own prosperity. Menaced with an accession of riches which would lighten its toil, it makes haste to redouble its labors, and

> to pour away the perilous stuff, which might deprive of plausibility the complaint that it is poor. Applied to the arts of peace, the new resources commanded by Europe during the first half of the sixteenth century might have done something to exorcise the specters of pestilence and famine, and to raise the material fabric of civilization to undreamed-of heights. Its rulers, secular and ecclesiastical alike, thought otherwise. When pestilence and famine were ceasing to be necessities imposed by nature, they re-established themselves by political art.
>
> The sluice which they opened to drain away each new accession of superfluous wealth was war.[3]

Tawney's observations about the sixteenth century are fully applicable to the past century and a half of modern history. We might even expand the analysis: not only does war drain away the "surplus" of wealth, but it also frustrates social reform and tends to promote social chaos. Violent revolutionary forces are released and family life is disrupted.

The problem of non-violence in the public order is whether we can reverse these historical trends. It will not be easy, for even the history of the United States, which we have often thought of as relatively immune from many of the main currents of world history, reveals the tendency.

Recall, for example, American experience in the twentieth century. The early part of the century was characterized by considerable expansion of the economy and, after 1913, by important social reform measures which, had they been continued, might have resulted in some genuine re-distribution of wealth and power. But these possibilities were frustrated when the country entered World War I, which greatly enhanced the resources and power of the wealthy and brought an end--as do most wars--to any desirable social reforms. Perhaps all this might have been justified, according to some, had the war accomplished much that was worth-while; but it did not: it neither made the world "safe" for democracy nor brought about a situation in which war was less likely in the future. And the resources destroyed by the war, whether in the United States or elsewhere, were staggering. A monetary world cost estimate of $400 billion scarcely does justice to the fact that many of these resources were irreplaceable; and it speaks not at all of the tens of millions of human lives wiped out.

Or again, World War II came to the United States after a period of social reform--some of it surely desirable--which the war promptly halted while providing a facade of "war prosperity." The destruction wrought by World War II was far greater than that of World War I and the net benefit to the world or to the United States even more dubious. Psychologically, perhaps, American entry could be partly interpreted as an effort through war to counteract or plaster over the failure to take the United States out of the Great Depression without war. The war virtually eliminated unemployment, which was still 9 million at the end of 1939,

but at a fearful price.

But no more than World War I did it make the world "safe for democracy." While it appeared to destroy one "totalitarian" system--that of Nazi Germany--it did so at the price of greatly expanding the power of another--the Soviet Union. And its temporary solution for the problem of unemployed men and women--in the war the solution was that men were employed blowing other men and natural resources to bits--was followed by chaos and many smaller though often ferocious wars throughout the earth. While the violence of the war helped force Hitler's death, it left many of the basic issues confronting mankind unresolved or exacerbated. A tyrant died but tyranny proliferated. The war gave birth, moreover, to the atomic bomb, which has cast its shadow over the entire period since World War II.

During the period between 1961 and 1964, there seemed to be some promise again of using vast potential resources for human welfare, through the "war on poverty," the development of civil rights, and imaginative schemes like some of the housing programs. But again the potential was in considerable measure frustrated when the United States began its massive violence against Vietnam--at an ultimate cost of perhaps $150 billion.[4] And after the war--as has been usual in wars from ancient to modern times--came the inflation which eroded the savings of millions of the poor and middle classes and, accompanied by another "recession," severely restricted possibilities for social justice. And the Vietnam war, like its predecessors, gave no evidence that it had improved the lot of humankind in any significant ways.

During the Vietnam War, it was first believed that we could have both "guns" and"butter." But it soon became evident that, whatever the possibilities from a strictly economic and financial point of view, in terms of psychology it was difficult if not impossible to combine the huge commitment to violence with serious efforts for social welfare.

And now, in the post-war period, educational budgets do not keep pace with inflation, the war against poverty continues to be undermined, and social service work in many of its most vital aspects is curtailed. Moreover, numerous sections of the central cities remind one more and more of urban areas that have been bombed or otherwise destroyed in war. Yet the shopping list for armaments continues to grow.

To be sure, we are told that military violence and its threat promote "security." But the meaning of this statement is not at all clear. If it implies that once we have a certain level of "over-kill" (the ability, let us say, to wipe out the "enemy" five or six times over), we shall no longer be fearful and can halt the arms build-up, it would seem obviously to be a false proposition; for it would appear that the higher our arms levels, the more fearful we become that they are not high enough. Expansion of armaments, far from reassuring us, seems to stimulate still more expansion. The greater the "over-kill" capacity, the more we feel the need for additional and even more monstrous weapons. It is almost certain

that a citizen of the United States feels far more insecure with respect to external "enemies" than the citizen of a third or fourth rate "power" like Denmark.

Perhaps, though, possession of great arms in face of the enemy's escalation will deter from war. But this would seem very unlikely. While we can never prove beyond the shadow of any doubt that large armaments and arms races do not prevent war, since there are so many variables, the experience of the arms race before World War I is not reassuring. Far more plausible is the proposition that if a nation prepares for war through arms escalation, it will eventually be tempted to use those arms.

But if war does come, it may be urged, surely great armaments will tend to prevent invasion and to protect human beings. But there is little if any evidence to show this, particularly in the modern age. In World War II, for example, both Denmark and Norway, with tiny military forces, were invaded; but so were Germany, France, Poland, and the Soviet Union, with huge military establishments. As for protecting human life in time of war, even the best military "defense" cannot prevent millions of deaths: in the United States, for example, writers speak in terms of fifty or more millions.[5] Under these circumstances, it is a mockery to speak of the military preserving human lives.

We argue, then, that build-up of armaments in today's context promotes fear and insecurity among citizens of Great Powers, including the United States; that large armaments will not deter from war but, on the contrary, will probably constitute a temptation to initiate it; and that once a nation enters war large armaments give no assurance whatsoever that the country will not be invaded or that millions of its citizens will not die. Armaments, in other words, have very little to do with "security." On the contrary, they probably exacerbate insecurity.

But if we reach this conclusion, it would seem to be useless to maintain military forces. If their existence does nothing to allay fear, probably cannot deter from war, and can neither prevent invasion nor protect human beings, it would seem unreasonable to retain them.

In other words, if we are convinced that public violence and its threat are not only immoral but inefficacious (in terms of worth-while objectives), then a nation is foolish to rely on them even if other nations choose to do so. Willingness and readiness to disarm unilaterally would seem to be a part of practical wisdom as well as a requirement of any commitment to non-violence as a moral principle.

Just what might unilateral disarmament imply in terms of details?

The policy might conceivably begin with a public announcement of what is contemplated. A government just elected on a platform of unilateral disarmament would state that it had lost all confidence in military violence and was determined during the course of, say, five years to divest itself of all military weapons. It would invite representatives of all countries to observe the process. Among the

first steps would be abolition of the CIA and other secret intelligence agencies. Then gradually, year by year, armaments in all categories would be reduced. Gradualness would be desirable to permit orderly economic and social adjustments.

Meanwhile, as part of the process, there would have been an announcement that the resources saved by unilateral disarmament would not lead to a reduction in taxes but rather to alternative expenditures on what might roughly be called "social welfare"--education, counselling services, exportation of skills to develop trained manpower in parts of the world requesting it, rehabilitation of cities, and the organization of a system of non-violent resistance to any invasion. There might be a pledge to devote approximately one half of all present military expenditures to international purposes (under the control of an international agency) and one half to domestic goals for a generation. This would mean that each year during the disarmament process, about 10% of existing "defense" expenditures (over $10 billion) would be contributed for world purposes and 10% to rehabilitating a sorely disintegrating domestic society. At the end of five years, each segment would be receiving at least $50 billion annually for a minimum of at least a quarter of a century.

If one attempts to spend $50 billion for non-military purposes, even in an age of inflation, one is startled by what one can buy. For example, one could support 200 large universities; or provide 12 million full scholarships for college students; or establish some half a million to a million substantial day care centers; or pay the salaries of more than three million special education teachers to stimulate gifted children and assist the retarded; or furnish over three million social workers in such fields as psychiatric social work, family welfare, and many others; or finance between three and four million national park attendants; and so on. One can work out one's own calculations and no matter what they are, they must be astounding. And these are figures only for the domestic side; an equal sum would be available for the international and it would probably go even further.

Sometimes it is argued that without heavy emphasis on "defense" and on war preparation the unemployment problem would necessarily be much worse than it is today. But the fact is that, on the average, a given sum expended in the civilian sector will produce more employment than if used by the military. Moreover, civilian employment tends to be less inflationary than "defense" employment. Explains an economist who has studied the problem: "I think economists would generally agree that it is a misconception that defense creates more jobs.... Defense, particularly modern defense, is a high technology business. Defense production tends to require more highly skilled people but to employ fewer people per unit of output that civilian industry. It also puts pressure on prices. It creates buying power, but does not produce goods that can be bought in the market.... High defense spending for these reasons has an inflation-inducing effect."[6]

We cannot predict with any exactitude, of course, what reactions a program of unilateral disarmament by a major nation would provoke. But one thing would seem

to be certain: the situation of today, based as it is on competitive armaments and an almost irrational confidence in military might, would be drastically altered both psychologically and sociologically. In many parts of the world, including the Soviet Union, there would probably be strong domestic pressures to emulate the United States in its unorthodox actions; for it is notorious that the clamor for more consumers goods in Russia and elsewhere is already very strong. A unilateral initiative of this kind might, in fact, lead to competitive disarmament. But even if this response did not occur, the unilateral disarmament would continue, on the premise that it was soundly based, both in morality and in terms of practical efficacy.

Those with a deep commitment to the principle of non-violence would hold, of course, that a policy of this kind would be far more effective as a national defense measure than all the armaments we presently possess. But whether or not one agrees or disagrees with this conclusion depends in part on how one thinks of "national defense." Here we define it roughly as "The preservation and enhancement of human life and of the basic morally defensible institutions and practices of a nation." This definition would exclude from the term international economic exploitation, military power as an end in itself, or the quest for dominion over others. The new utilization of the resources formerly devoted to the military would defend in a number of ways: first, moral duties to mankind would be much more emphatically recognized than today and a by-product of this would probably be that any possible justification for invading the country (always a specter for those insisting on military national defense) would be reduced to the vanishing point; secondly, the new outlook would understand that perhaps the greatest menace to the life and institutions of a people comes from within rather than from without--from deteriorating cities, hopeless young people, absence of constructive challenges, unemployment, inadequate education, human alienation, and so on;[7] thirdly, the policy, by confining "defense" to vindication of those things that are worth-while and excluding those objectives which make for injustice would clearly see that genuine peace and national defense depend on the establishment of justice.

Part of the policy, of course, would be provision for non-violent resistance to any possible invasion or occupation. Those committed to non-violence would believe that if other elements of the policy were implemented, the necessity for non-violent resistance would be remote. Nevertheless, provision would be made for it, as an aspect of the whole scheme.

Basically, non-violent resistance would be a program in which several thousand selected individuals would be highly trained to lead the population in campaigns of non-co-operation with invading or occupying forces. Strategies and tactics involving the strike, the boycott, and the withholding of moral support would be planned for; and training would be rigorous. No occupying force can long hold a country if non-violent non-co-operation is widespread and if human beings are willing to die (but not to kill) for their country. The whole training of non-violent resisters would be premised on such propositions. If one

leader were to be killed by the army of occupation, the "game plan" of non-violent resistance would provide for immediate succession of another. The professionals in non-violent resistance would, of course, guide the non-professionals in the tactics to be used. The budget would include an item of, let us say, $5 billion a year for non-violent resistance training. One of the military service academies would be retained to help educate leaders of the new strategy.[8]

Does a policy of unilateral disarmament involve risks? Of course. But we contend that the risks are far fewer than those entailed by a commitment to violent defense. It could be that under a scheme of unilateral disarmament, some nation would become utterly irrational and seek to invade the country. But surely this is much less likely than with present policies. In an atmosphere of competitive armaments, irrationality is much more apt to erupt than in one where a prominent nation has renounced violent defense. What possible purpose would be served by a military invasion of the United States? After all, it would already be sharing its resources on a large scale, would have indicated its non-aggressive intent by unilateral disarmament, and would have opened all of its genuinely public business to world scrutiny. If under these circumstances another nation still contemplated invasion, it would have to weigh the costs of occupying a country in face of the most effective form of resistance, that of the non-violent type.

The notion of unilateralism is, we are contending, entirely compatible with hard-headed military and political realism. The unrealistic, in fact, are those who think that preparation for military violence has anything to do with national defense. After studying military history for a lifetime, the late Walter Millis, perhaps the United States' greatest twentieth century military historian, maintained that "a good theoretical case can be made for the proposition that a unilateral divestiture...would in fact redound more to the real security and welfare of the American people than any other course..."[9] While Millis thought that the American people were not yet ready to accept such a policy, this did not detract from its soundness; and one might well ask Walter Millis why, if he could be convinced of its soundness, the American people could not be.

A policy of unilateral disarmament within the context suggested here would greatly strengthen the health, welfare, and spirit of the American people--surely one of the central objectives of genuine national defense. In a context where "defense" is largely identified with military violence, the tendency is to forget the limitations of military power and at the same time the possibilities of non-violence. The public mind, moreover, is split--on the one hand, it repeats that its objectives are peace and non-violence; on the other hand, it devotes a substantial proportion of its resources to means which are the antitheses of these objectives. This hardly makes for a state of public mental health. In a context of unilateralism, this split public personality would be eliminated and the very "nakedness" of the country in terms of possessing military weapons would tend to produce a psychology of security. Every encouragement would be given to non-violent solutions. Once faith in military violence had been completely eroded, the way would have been paved for a commitment not dependent on the shallow faith in violence.

In personal relations, we often say: "Jones was utterly disarming," meaning that he was not close-minded, not fearful, and not aggressive; instead, he opened the way to full communication with and understanding of others. A like principle might apply in the context of unilateralism. The nation would be literally disarmed and would therefore be disarming, with consequences not unlike those we think of in personal relations. This is not to equate personal with corporate relations in all circumstances but simply to suggest that in the context of disarmament a similar consequence would probably follow.

It should be emphasized, of course, that unilateralism is dependent on a basic change of attitudes and values in the country as a whole. It would not "work" if substantial segments of the population continued actively to commit themselves to violence. It would entail, in other words, a fundamental alteration of public opinion.[10]

To be consistent, too, it would need to be accompanied by other measures exemplifying non-violence in the public arena. For example, the police would have to be disarmed and individuals, too, would have to renounce their "right" to bear arms. Any thought of "capital punishment" or killing by the State would have to be eliminated; and some of the worst outrages going on under the name of "prison" would need to vanish. We should also have to reduce the gap between lowest and highest incomes. Not that all these transformations would need to come about immediately but rather that they would be seen from the beginning as essential if policies of non-violence were to be fully implemented.

Overly simplifying, we can say that there are two basic views of the State and of law. One thinks of them as repressive--as essentially existing to suppress the evil in man. Here the accent is on force and negation and even violence. The other view would see the State and law as potentially positive--as devices for helping to release the good in human beings and to organize the community in such a way that evil is overcome not by repression but by so accenting the constructive that the darker side of human nature fades into the background. The notion of non-violence would obviously fit into the latter paradigm, as would, if the interpretation of this paper is correct, the philosophical foundations of social work.

Obviously, both of these paradigms are present in the State and law of our day. When law facilitates the making of agreements, the organization of public enterprises for public benefit, and arbitration procedures, the second is obviously involved. When it sends a person to a prison which will obviously not "reform" him, the first is present. When the State provides an educational system, the second is predominant; when it orders me to kill, the first is ubiquitous.

The task of those committed to non-violence in the public realm is to explore all of the avenues open through the second paradigm and to insist that the conception of non-violence, contrary to writers like the late Reinhold Niebuhr, is applicable not only to personal matters but also to group relations and in politics.[11] In the process of attempting to implement the second paradigm

imaginatively, social workers and others strengthen not only the cause of non-violence but also that of social welfare in its broadest dimensions. But they should be consistent: non-violence is a philosophy which must be applied universally and not in such a way that some areas of human life are exempt from its impact. We cannot consistently promote it in personal relations and then attack it by supporting violence and its threat in the international sphere.

4.

We began by calling attention to some of the striking exemplifications of the modern world's faith in violence and suggested that non-violence implies a counter-faith. We then explored the elements of that counter-faith in terms of defining it; of suggesting its application to personal relations; and of outlining a few of its implications for the public sphere.

We have not denied that a gigantic leap is necessary to move from the faith in violence to the counter-faith of non-violence. Nevertheless, we stressed that in most relations of life, even today, there is at least a semi-commitment to non-violence. Our task, whether as social workers or as citizens, is to extend that faith into areas where up to now it has seemed unthinkable.

FOOTNOTES

[1]See Simon Winchester, "The Death Dealers," Manchester Guardian, June 20, 1976, p. 1.

[2]Leesburg Virginia: WMSE Publications, 1976.

[3]R.H. Tawney, Religion and the Rise of Capitalism (N.Y.: New American Library, Mentor, 1960), pp. 69-70.

[4]Which does not include such "indirect" costs as war pensions, care for the war injured, and similar war-related expenses.

[5]Herman Kahn's older work, On Thermonuclear War (Princeton: Princeton University Press, 1960) is still a useful source for projecting probable fatalities in any large-scale war.

[6]Ruth L. Sivard, in Transition, v. 3, No. 3, June, 1976, p. 2.

[7]Arnold J. Toynbee in his A Study of History stresses that the civilizations he studied disintegrated primarily from within rather than as a result of external pressures. Thus the main "enemy" of the ancient Greek cities consisted of internal factors rather than of a menace engendered by Persia. And Roman civilization was basically "overthrown" not by the "barbarians" but by such phenomena as internal political decay, alienation, social corruption, and rank injustice.

[8]See, for example, Mulford Q. Sibley, The Quiet Battle: Writings in the Theory and Practice of Non-Violent Resistance (Boston: Beacon, 1969); American Friends Service Committee, In Place of War: An Inquiry into Non-Violent National Defense (N.Y.: Grossman, 1967); Gene Sharp, The Politics of Non-Violent Action (Boston: Porter Sargent, 1973); and Adam Roberts, Civilian Resistance as a National Defense: Non-Violent Action Against Aggression (Baltimore: Penguin, 1967).

[9]"The Uselessness of Military Power," in Robert A. Goldwin, America Armed: Essays on United States Military Policy (Chicago: Rand McNally, 1964), p. 41.

[10]For an elaboration of the idea of unilateral disarmament, see Mulford Q. Sibley, Unilateral Initiatives and Disarmament (Philadelphia: American Friends Service Committee, 1961). See also Mulford Q. Sibley, "Unilateral Disarmament," in Robert A. Goldwin, America Armed: Essays on United States Military Policy (Chicago: Rand McNally, 1963), pp. 112-140.

[11]Niebuhr tended to distinguish the possibilities for morality in personal relations from potentialities in group or political relations, particularly in Moral Man and Immoral Society (N.Y.: Scribner, 1932) but also in many other works. In terms violence and non-violence, his expectations for groups and nations were much lower than those for individuals. While he makes an important point in emphasizing that institutions and organizations are not persons and cannot be said to be capable of love, still it is also true that individuals (who admittedly are capable of love and non-violence) work within the frameworks of institutions and organizations and have the capacity for transforming the latter. There would be no groups if individuals did not exist; and while group life has an autonomy of its own, still, we may say to Niebuhr, the attitudes and convictions of individuals surely have an impact on the group, and their ideals, however "impossible," can change the nature of group relations.

ANTI-WAR WORK BY DISCOURAGEMENT OF WARRIORS
A CRITIQUE OF ANTI-WAR TACTICS USED AMONG NAVAL PERSONNEL IN THE VIETNAM WAR

Orabelle Connally, Ph.D.
Everett Community College

"Wars will end when men have ceased to fight" was a popular slogan of the anti-Vietnam War movement. It sounded quite practical and almost true on its face. However, we now have considerable information about wars and how people have refused to fight, and the relationship between them is not well described by this phrase. The specific military technology in use, the social organization of military authority, and the division of labor in producing war, all make a difference in the possibility of stopping a war by many refusals to fight. Campaigns emphasizing this tactic may even strengthen the organization of military authority. This seemed to be the case in the anti-war campaigns directed at crewmen of attack aircraft carriers.

In 1971 and 1972 there were campaigns to stop the sailing for Vietnam of the USS Constellation, the USS Kitty Hawk and the USS Coral Sea. These were studied along with a later series of strikes of 130 Black sailors on the Constellation, a racial fight of over 200 on the Kitty Hawk and the anti-war movement defense of a sailor charged with sabotage on the USS Ranger (Connally 1976). The study was based on documents produced by people involved in maintaining authority as well as in resisting it. These accounts and analyses appeared in military journals, GI papers, campaign literature, daily newspapers and in a report of Congressional investigation of this resistance. Navy manuals and handbooks on ship organization and authority practice were also studied.

STOP THE SHIP CAMPAIGNS

The Kitty Hawk and Constellation campaigns in San Diego were directed at the community as well as the sailors on the ship and included a city-wide straw vote to "keep the Connie home." The organizers announced that they would use 'non-violence' as their method of resistance, and consistent with this, individual conscientious objection to military participation was encouraged. A community peace group sponsored a project house as a campaign center and social gathering place. Another group offered para-legal counseling for enlisted people at a downtown store front and published a GI paper, Up From the Bottom. The campaigns involved months of organizing on and off the ships with meetings, rallies, folk and rock concerts, leafleting and publicity. Following the eventual ship departures, nine men in one case and eleven in the other took 'sanctuary' in local churches instead of returning to their ships. Each time they were arrested and flown to the ships. They were eventually discharged after some time in prison. Church sanctuary was used to make a moral statement against the war and encourage others to resist. It was also used to establish the sailors' claims to discharge as conscientious objectors.

The campaign literature, GI, and underground press gave a libertarian analysis of military authority and the Vietnam War. Along with the arguments against the war and the humanistic accounts of suffering, there was ridicule of named senior NCO's and ship's officers. Their insistence on deference, their regulation of haircuts and their officiousness at inspections were all complained of. Specific orders were cited as self-serving for the NCO or officer or as harassment of the men.

The Coral Sea Save (Stop) Our Ship Campaign (SOS) in the San Francisco Bay Area differed from the San Diego campaigns in that the early organizing was not publicized in the civilian community. The campaign literature was more anti-navy than anti-war, non-violence was not specifically approved as a method and conscientious objection and the use of church sanctuary were not encouraged. Solidarity in action with other enlisted people was urged. It was expected that large numbers of the crew would simply not return to the ship when it was ready to sail. When the ship did sail, SOS people claimed over 250 sailors had purposely missed the ship. The Navy claimed there were only the usual number of UA's (Unauthorized Absences), thirty-five.

BLACK UPRISINGS

The racial fight on the Kitty Hawk and the series of strikes on the Constellation happened without prior planning. On the Kitty Hawk the fight began while the ship was in action off Vietnam. Blacks were leaving a meeting where they had protested the handling of discipline related to a shore fight in the Phillipines, and as they left some walked through the hanger deck where they were met by a line of advancing marines. Some picked up hardware and fought, others ran through the ship shouting "they're killing our brothers." This precipitated a general fight of over 200 sailors that lasted for a number of hours and produced serious injuries. The initial attack by marines was the result of a confusion in orders between the captain of the ship and his Black executive officer (House Armed Services Committee 1973). Many of the charges were reduced, when, much later defense attorneys and civilian groups protested.

The strikes on the USS Constellation developed after a series of meetings of Blacks to consider grievances including a rumor that undesirable discharges were to be given to certain Blacks. At the last of these meetings, representatives were sent to the Captain to ask him to meet with them. He refused, was asked by other representatives and continued to refuse. One hundred and thirty Black sailors stayed at the meeting place, the main mess decks, all night. The ship was ordered into San Diego and in the morning the sit-in group agreed to go ashore, expecting to receive a hearing for their grievances. The shore discussions were not satisfactory to the 'strikers' and five days later they were ordered to return to the ship. One hundred and twenty-nine men met on the dock, held their own muster and flag salute and refused orders to board the ship, and instead sat down on the dock for six hours until the Navy promised to meet their conditions. In addition to the Captain, his superiors in the Pacific fleet and the Chief of Naval Operations and the Secretary of the Navy were involved in the decision. The men boarded busses

and expected to arrive at one base for settlement. They found instead that they had been separated into three groups and taken to three different bases where they were individually given hearings, charges and relatively mild punishments.

There was a Congressional investigation of these two Black uprisings and the report was soon made public. It blamed the Chief of Naval Operation's policy of "permissiveness" and the Blacks for the trouble. Reports from the Black participants and their supporters were carried in the daily press and in GI newspapers and underground papers. Their complaints were against institutional racism in the Navy. They identified certain of their respective captain's policies as adding to this but they located discrimination in the institutional system for assignments of specialties, training and punishments. They thought this happened as a result of the use of civilian records for decisions on punishment, promotions, assignment and discharge and was compounded within the Navy by racially biased personnel evaluations.

IDEOLOGIES OF AUTHORITY

Officers, who wrote articles and letters in their journals about these resistance events and the practice of military authority, used one of two well developed ideologies. Each ideology included prescriptions for practical actions thought necessary to establish and maintain authority; and each justified authority, that is, the right of a few to demand compliance of many (see Bendix 1960 for this definition of ideology). One of these was a militarist perspective similar to what Vagts has identified as militarism (1937) and the other resembled the managerial ideology of civilian corporate management (Janowitz 1960). It is necessary to consider how these two ideologies affected actual practice of authority on the ships to understand how the resistance actions, in turn, affected navy work.

The militarist ideology assumes that authority is manifested by an inferior's exact obedience to a superior's commands in a face-to-face setting such as the old navy sail ships. Heroes of the old sailing days are often quoted. The maintenance of caste differences are thought necessary for military discipline. Officers are believed to comply as gentlemen who value honor and who are devoted to their country and the Navy. Enlisted people, on the other hand, only cooperate because they are trained in obedience and fear punishment. Militarists think the differences in pay, quarters, personal services and privilege are appropriate and also necessary to maintain discipline. They complain of efforts to increase the "habitability" of enlisted quarters on the ships.

Senior NCO's, particularly chief petty officers, are set apart as more responsible and more deserving than lower rated enlisted people. They have direct authority over the crew although subordinates do most of the supervision. They are responsible for the living arrangements of the sailors as well as for the direction of work. For instance, there are detailed rules even about the way sailors' clothes are to be folded and stacked within drawers. The personal neatness and haircuts of sailors are also subject to navy standards. Militarists

expect chiefs to get compliance by being "tough." They worry that some chiefs may become "nice guys" in a mistaken effort to be liked by their crew.

Orders, coordination and information are expected to go through a chain of command. Appeals, protest or additional information from lower levels are to go up the chain step-by-step. The use of this chain is seen as absolutely necessary for the integrity of the authority of the particular officer at each level. Communications from level to level involve rituals of personal deference. Enactment of these rituals are interpreted as evidence of the superior's authority. If there are lapses in deference or outright refusals or avoidance, then authority is thought to be in mortal danger: sailors will observe that the superior does not have absolute power to produce obedience and become disobedient themselves. Authority is thus a kind of self-fulfilling prophecy that only works so long as there is unanimous agreement that it does.

The managerial ideology is very different from this. It identifies authority as the administration of institutional processes so that they result in compliance of personnel. Control is essentially by manipulation of career opportunities and possibilities of unfavorable discharges. The relationship between ranks is to have the appearance of cordiality. "Teamwork" is often used to describe the social situation. The senior NCO's are expected to refrain from being authoritarian, but they are nonetheless held responsible for the administration of the work and control of the personal living behavior of enlisted people. There is a de-emphasis on military caste: both enlisted people and officers are thought to work on the same basis, career opportunity.

The actual control mechanisms are impersonal and do not rely on face-to-face interactions. Orders come as paper authorizations for work assignment, transfer, promotion, pay, leave and discharge. It is the content of each person's personnel file that is the key to opportunity or punishment rather than face-to-face negotiation. Each file includes evaluations by the immediate superior, past records of test results, training, experience, history of disciplinary actions and school and court records from civilian life. Compliant behavior is necessary if the enlisted person or officer wishes future promotions or to ward off unfavorable assignments, punishments or discharges. In addition to control by this channeling of behavior, counseling programs and group sensitivity workshops are used to reduce discontent or, "turbulence," as the managerial officers refer to it. The existence of covert surveillance is also publicized as a further persuasion to compliance.

Besides these two ideological 'recipes' for authority there is the actual organization of the work and living situations on the ship. The organization plan was originally based on the militarist organization of sailing ships, where there was face-to-face command (Melville 1850). As technological changes occurred, modifications were made in work organization. Some changes were informed by the managerial perspective, others were simply ad hoc efforts to solve problems presented by the new ship technology. Today work on the huge aircraft carriers consists largely of maintenance of complex machinery and electronic and electrical systems.

The skills for doing the various jobs are not widely understood or shared among the crew. On the old sailing ships each sailor had a well rounded understanding of the total work involved in sailing and the skill to accomplish much of it. An officer could give a general order and expect his men to know immediately how to do it. The work today is divided into simple tasks and job skill is acquired through training and from manuals and specifications by the manufacturer of the equipment. Technical bureaus off the ship also issue instructions. The actual work orders for an individual may be on a printed card which specifies what to do, where to get the tools and how to put them away. In this way many jobs are assigned and completed without direct person-to-person contact. There still are occasions for face-to-face commands on modern aircraft carriers, but these happen more often during the supervision of living arrangements such as in inspection of quarters or of person, than in the doing of the actual work.

AUTHORITY VIEWED FROM THE RANKS

Enlisted people often criticized the administration of navy authority; they pointed to arbitrariness and officious actions of NCO's and officers; they called career navy people "lifers" derisively; they considered many orders as exploitive and based on aggrandizement of the officer's career rather than for practical need for the work. They particularly objected to the controls on personal living, haircuts and deference etiquette. They saw all of these as humiliating; however, in spite of this libertarian critique their basic idea of how authority works was the same as the militarists! They assumed that power of navy authority depended on their use of the etiquette of deference and their obedience to face-to-face commands.

The Black movement sailors shared some of this anti-authority view but identified channeling by manipulation of career opportunity as the fundamental method of control. Their analysis developed as part of the identification of institutional racism. The Black movement sailors, then, clearly shared the managerial model of how authority was constructed.

RESISTANCE PRODUCES CONFLICT BETWEEN MANAGERS AND MILITARISTS

The anti-war campaigns, the Black movement action and the general anti-authoritarian mood of enlisted people had an indirect effect on authority. The Chief of Naval Operations at this time was Admiral Elmo Zumwalt, a strong spokesperson for the managerial ideology. There had been a serious drop in reenlistments in the Navy, and Zumwalt had ordered a series of reforms to make the Navy more attractive and to solve the "retention" problem. The reforms, which were labeled, Z-Grams, modified certain regulations known as "chicken regulations" that were generally considered harassing for enlisted people. The Z-Grams were not intended to encourage political expression of enlisted people or to make changes in the naval hierarchy. Several of the Z-Grams were explicitly directed against racist practices. These included establishment of race relations councils that could carry information up the naval hierarchy without going through the chain of command.

These reforms created problems with the traditional militarist practices of authority. Many militarist officers and NCO's were more alarmed at the occasional rudeness, grudging cooperation and frequent infraction of the rules of deference etiquette than they were by the direct anti-war actions. When a sailor failed to salute they viewed their authority as under attack. Their ideology of authority prescribed immediate and forceful action in response to these threats. When Zumwalt's policies prevented these responses, he and the managerial position of permissiveness that he represented to them, came to be seen as a serious threat to naval authority. The senior NCO's were in the position where there was the most pinch. They were responsible for seeing that their crews were prepared for inspections and that the many exact regulations were followed. Under the managerial policy of Zumwalt they were to continue to carry out these responsibilities but at the same time they were to avoid alienating the enlisted people. They were the last link in an authoritarian system as they passed on unwelcome orders from above for reasons unrelated to the immediate interests of the crew. It wasn't easy to get compliance by persuasion. They had depended on their own toughness and on its being backed by officers. Zumwalt's managerial policies threatened to deprive them of this support.

Black uprisings of themselves were not seen by militarists as a direct challenge to authority. The militarist ideology does recognize this kind of threat, but there are prescribed responses to it, that is, punishment. The really serious problem to them was the managerial leadership which prevented the punitive action they thought necessary. Militarist ideology does not recognize a valid basis for Black solidarity or a problem of injustice in how Blacks are treated by the Navy. Militarists interpreted Black resistance as evidence of the danger of permissiveness. They believed punishment would have worked both as prevention and as control. Because they were not in complete charge they were saved a test of this. Failures at ship level could be blamed on their hands having been tied by higher managerial authority.

The Kitty Hawk fight and the Constellation strikes had deeply alarmed the CNO (Chief of Naval Operations) and his managerial group. These events encouraged them in their view of the absolute necessity of eliminating racism. Zumwalt publicly blamed his top officers for not taking vigorous actions to eradicate it. Militarist admirals counter-attacked. They asked for support from Congress and got a Congressional investigation. The Congressional committee found in the militarists favor and declared that the problem was permissiveness not racism. Various recommendations from a militarist point of view were made such as to tighten dress codes, lengthen training and restrict recruitment (House Armed Services Committee 1973). In spite of this report and the eventual incorporation of these measures into the Navy, the managerial officers continued to be in charge of personnel policy where they made decisions on promotions, retirement and discharge for officers as well as enlisted people.

The practical results of this internal fight in terms of navy-wide insecurity of NCO's and officers and the effects of this on their work must have been considerable. There were many complaints from officers on the ships. The basic cause of

these tensions was the resistance of enlisted people, but they produced this quite unintentionally. Authority was shaken not by withdrawal of subordinates' participation in the construction of authority, but by uncertainty about the basis of authority among those who were expected to exercise it. This was the indirect impact of the anti-war and Black movements on the naval hierarchy.

DIRECT EFFECTS OF ANTI-WAR TACTICS

The anti-war movement in the Navy probably added strength to the civilian peace movement but produced virtually no direct effects on navy participation in the war. The direct purpose of the campaign had been to stop the ships from bombing Vietnam. The anti-war movement simply assummed that individual and group challenges to authority in face-to-face situations would lead to immobilization of the ships as enlisted people either left the Navy or refused to cooperate. How was this to be brought about?

Quitting The Navy: Conscientious Objection

Some non-violent resisters refused on grounds of conscience to continue work in the Navy. By doing this with the use of church 'sanctuary' they also managed to get excellent publicity for the civilian peace movement and civilians became supportive of UA's and deserters as well as the sailors who resisted openly. But when anti-war sailors applied for conscientious objector discharges they also were following the paper procedures established by the military. As more people applied for this status and as court cases developed, the procedures were formalized and widely recognized by ship officers. The steps for getting conscientious objector status usually involved disobeying a specific order followed by a sentence of one or more months in the brig. The paper history of this entire application, order refusal and acceptance of punishment were all necessary for the final discharge to be authorized. The managerial leadership did not really object to these people leaving the Navy. The conscientious objectors were thus very obedient as they followed the forms. This legitimized the navy procedures.

Quitting The Navy: Walking Away

Some servicemen went UA or deserted altogether. This may have been more of a practical problem for the Navy and a challenge to its legitimacy. Movement enlisted people and the ex-GI's in the movement debated these tactics. Going UA rather than taking sanctuary was encouraged in the campaign aboard the Coral Sea. Sanctuary offered good initial publicity but the later arrests and final disposal of the resisters could be manipulated for the Navy's benefit. This happened to the Kitty Hawk resisters. Navy negotiation convinced the movement people behind them to drop publicity in order to get the men discharged without extra punishment. Some of the movement people thought that large numbers of UA's might actually interfere with the ship's sailing; however, an excess of men are assigned to ships as part of military planning for battle losses and, in addition, extra personnel can be quickly sent from shore bases and other ships. Only if there were a widespread walk-out throughout the Navy could a ship be held up for lack of

personnel. Another problem with Unauthorized Absences is that reports of the number who are gone are questionable. It was impossible for the SOS people to know the total of UAs in the Coral Sea campaign. The Navy reported 35, they reported 250. Sailors on the ship would have certainly noticed if any of their buddies were missing, but they did not have communication networks across the ship to add this up to a perceived challenge to legitimacy of authority.

Quitting The Navy: Getting an Early Discharge

Other servicemen tried for an early discharge from the Navy. Discharges before a term of enlistment expires are allowed under certain conditions including conscientious objection. For instance, the Navy may give administrative discharges for physical or mental disabilities and "for the good of the service." Sometimes a sailor could qualify for a disability discharge or convince the Navy that he would be less harmful to them out than in. Doing this was rather tricky because certain transgressions could lead to a long jail sentence or a punitive discharge. Careful use of navy rules and knowledge of the Navy's options were necessary in order to avoid this. Anti-war groups regularly provided para-legal counseling to make it easier for enlisted people to confront the military and, hopefully, to get out. The counseling service was backed by consultation with civilian attorneys and was organized nationally with updating of materials, counselor training workshops and reports of recent court decisions. Counseling services were in continual demand, they were the most popular offering of the anti-war movement.

To some extent the counseling upheld the legitimacy of the Navy as counselors explained how to carefully follow regulations. As sailors learned their rights many became more 'uppity.' There was a proliferation of 'sea lawyers,' an increase in court cases and discharges. This alarmed the militarists, but not the managerial leaders, who themselves used discharges to get rid of political organizers and other troublesome persons. It did become necessary for the Navy to augment their legal personnel.

Attacking Military Law

In addition to helping servicemen to secure discharges, legal defense was provided to many anti-military GIs. The defense usually challenged the military for not following their own procedures or challenged the military code for denying the constitutional rights guaranteed to all citizens. When the Navy attempted to press charges as an object lesson to GIs, the movement made it difficult by skillful defense and sometimes by successfully appealing the case to civilian courts. However, in some cases, movement publicity and defense probably led to a more severe sentence than if the case had been defended quietly (Sherill 1970; Finn 1971).

The steady challenge to military practice and military law resulted in changes in practice and in the Uniform Code of Military Justice (the military law). Militarists were again alarmed by the court decisions that limited punishment and

procedures of charging and sentencing, but managerial officers simply worked out other ways to punish, for instance administrative procedures could accomplish the same result. The skillful use of "building a record" in a troublesome individual's personnel file could lead to a punitive discharge.

Raising Consciousness

The anti-war people capitalized on the widespread anti-lifer sentiments. They tried to build a stronger anti-military consciousness among enlisted people by publishing GI newspapers and establishing GI anti-military social centers. Although both militarists and the anti-war enlisted people reported an increase in anti-military consciousness together with a decline in observance of deference rituals in face-to-face interaction with officers, this did not interfere with navy authority. The militarists thought it would; however, and put more pressure on chiefs to get the sailors to act with proper humility and discipline.

No effort was made by the anti-war movement to gain the support of these chiefs. This may not have been a realistic possibility. In any case, it was not tried. Instead the anti-war tactics attempted to create opposition to them by face-to-face 'uppityness'; but this, apparently, did not affect the ability of the Navy to participate in bombing in the Vietnam War. What 'uppityness' did was to push senior NCO's toward stronger support of the militarist position in the inside battle between managers and militarists.

The managerial officers dealt with anti-war and anti-authority organizing on several levels. They avoided any acknowledgement of resistance or of libertarian criticism. The situation was referred to as "turbulence" in the fleet. The anti-war argument, not having been recognized, did not have to be dealt with. The anti-authority sentiments were expected to be reduced by the Z-Gram reforms, a quiet way of handling the problem; however, paper manipulation was the major tactic. As enlisted men or young officers were thought to be successful in organizing a ship, they would be transferred or discharged by paper authorizations without fuss and without risking the reaction of a solidary group. Through the control of channels of communication the administration could prevent any effective feedback to the resisters and isolate potential sources of trouble within the ships. In addition, personal counseling and police and secret service surveillance were increased.

THE BLACK CHALLENGE TO AUTHORITY

The Black movement presented a much more serious challenge to naval authority and particularly to managerial forms of control. It was much less readily handled by 'managerial' strategies than the anti-war movement. It took the form of a direct withdrawal of cooperation of a kind that the anti-war movement would have liked to achieve but never could. Black resistance did actually threaten naval authority directly and the Navy even found it necessary to slightly modify its plans for ship movement as a result. The fight on the Kitty Hawk was a situation temporarily beyond managerial control. A group of men actually fighting

throughout the ship had a potential for interrupting the bombing runs of the planes on the flight deck. The sit-down strike on the mess deck in the Connie and the later dockside strike in which the Blacks held their own muster and flag salute was even more challenging because of the solidarity of the group, and in the second strike because of their use of a parallel authority structure. Paper manipulation could not handle these immediate situations.

Furthermore the charge of racism in career administration was a direct denial of managerial legitimacy. The promise of career opportunity was not simply one among many rewards offered by the managerial system of control: it was its basis. The contingencies of career were what they manipulated. The promise to deliver job training or a career in the Navy on a basis of equal opportunity was their justification for authority. As Blacks openly and with much publicity insisted that they had not shared this opportunity, managerial legitimacy was brought into question. The measures available within the managerial system of authority were likely to confirm the Black critique of the Navy as discriminating against them. Direct measures of control of the kind that the militarist ideology would recommend tended to exacerbate the situation. A different response, to correct the situation directly by meeting Black demands for the elimination of racism in the Navy, was made difficult because of the entrenched racist position of the militarists. The managerial method of handling the situation was to promise, not to threaten, but later to divide the group. Solidarity was further weakened by separate trials and mild punishments. The latter tended to diffuse protest by the civilian Black community. But the potential for Black challenge to Navy authority continues.

RESISTANCE AND SOLIDARITY

Both Black and anti-war movements of enlisted people shared common problems of organizing. Enlisted people were dispersed throughout the ship as well as on different ships with little opportunity for contact. Communications were controlled by the naval authorities and there was continuous surveillance and active repression of potential trouble. In this situation, however, Black consensus was crucial to organization and coordinated action. Roberta Ash in her model of movement action has stressed the need to investigate the link between shared conditions and the emergence of collective actions (1972). Black individual experiences result in a shared interpretation common to members of the group. The effectiveness of the Black movement in coping with a highly controlled and repressive context can be understood in these terms. Black enlisted men already shared 'Black experience' as civilians. They shared the experience of having believed recruiters when they promised equal opportunity and they also had similar disillusionment as they found they were assigned to the least desirable jobs. When later on the ships the use of Black power gestures and Black haircuts were outlawed their indignation was shared. It was not necessary for them to talk to each other to find this out. Their recognition of their common situation included recognition of common understanding. As the stories of the shore fight of the Kitty Hawk crewmen and the punitive discharges of the Constellation reached Blacks, there was one response, anger. Neither long discussions, social gatherings, charismatic leadership nor persuasive argument were needed for action. The only question was what to do. On the Kitty Hawk even

this was not a question. The situation was perceived as attack, and self-defense was the common response.

What the Blacks did in both events was to create mutinous situations unprecedented in American naval history. The Navy was able to gain control but not until some hours and days of delicate management. I think this ability of Blacks to act together rested on the solidarity of common understanding as well as on shared identity. "Consciousness raising" occurs during recruitment to identity movements and may take considerable time, but once the new movement replaces the established ideology, the pieces fall into place. New situations can be correctly interpreted from the new view without consultation with other members.

This form of shared interpretation was not available to anti-war sailors. The anti-war position had not developed as part of a common civilian experience or even identical military experience. There were some shared elements of a positive expectation of life in the Navy followed by disappointment as military methods were encountered. The content of the expectations and the later re-orientation varied. There was a shared anti-military view but this was not interpreted as fundamental to their own life situations. The anti-war perspective centered on a concern for other people who were suffering and dying in Vietnam. Action was based on a recognition of complicity in harming them. Individual soul searching was necessary to produce this insight as well as imagination in making the connection between daily navy assignments and the bombing of people. This also required vicarious participation in others' oppression. All of this went on in individual imaginations rather than as a shared actual experience. Even though there was 'talking with each other' it couldn't approach the shared understanding available from common direct experience.

The anti-war sailors did not respond to attempts to block their organization with indignation and anger as did the Blacks. They were aware of some direct oppression but they felt this was as a consequence of their organizing and they didn't <u>feel</u> that it was extremely unfair. They protested their treatment and often took legal action on the basis of their constitutional rights, but they were not indignant nor surprised when the Navy made countermoves. There was even a minor sense of triumph because the Navy had noticed and been annoyed with their actions. People who had developed opposition to the war and were taking serious resistance actions had often experienced emotional anguish as they reached their decisions to act, but by the time of actual confrontation this was usually diffused. They were more likely to meet the events with a sense of tragedy than of anger.

To activate the anti-war resistance it had been necessary to do continual organizing, individual counseling and building of community support. The straw vote to keep the <u>Constellation</u> home included votes of twenty-two percent of the crew. The nine who took sanctuary were less than one percent of the crew. There were occasions when large numbers of anti-war protestors came together including meetings on the ship, but these did not develop into resistance. Even when arrests were made at the sanctuary churches there was not more than symbolic resistance. The anti-war appeal to conscience does not seem to be an adequate base for mass

resistance. It may prepare people for action as individuals on the basis of conscience, but spontaneous cooperative action can only be taken if there is social interaction continually supporting the mutuality of understanding. Such supportive interaction is not necessary for resistance based on common experience and shared identity.

CONCLUSION

In spite of an anti-authoritarian mood among enlisted people, individual resistance, absences without authorization, many applications for discharge and a large civilian peace movement, the anti-war campaigns were not successful in stopping or delaying carriers from returning to the Western Pacific theater and continuing their role in the bombing of Vietnam. Anti-war tactics that included use of legal and administrative channels did not challenge managerial control. The navy managers developed an administrative procedure for handling conscientious objectors which was effective in avoiding adverse publicity and at the same time was a means of removing potential sources of troublemakers.

A better understanding of the social construction of naval authority might have produced other, perhaps more effective, tactics. The anti-war protesters did not distinguish between the situation of enlistedmen on a modern aircraft carrier where their technical work was far removed from a battlefield and separated within the ship from face-to-face contact with superiors while working, and that of enlisted men in the infantry in Vietnam (Jay and Osnos 1971) or the long-ago sailors of the old navy (Melville 1850). The effect of resistance actions depends at least in part on the relevance of the specific tactic to the actual way that authority is constructed and maintained. As it was, the anti-war tactics probably tended to consolidate naval authority rather than produce more resistance.

LITERATURE CITED

Ash, Roberta -- 1972
Social Movements in America, Chicago, Markham.

Bendix, Reinhard -- 1960
"A Study of Managerial Ideologies," Embattled Reason, New York, Oxford University Press.

Connally, Orabelle -- 1976
"Social Construction of Authority: Case Studies Under Conditions of Military Discipline," unpublished Ph.D. thesis, University of British Columbia.

Finn, James -- 1971
Conscience and Command, New York, Vintage Books.

House Armed Services Committee -- 1973
"Report by the Special Subcommittee on Disciplinary Problems in the US Navy of the Committee on Armed Services, House of Representatives, Ninety Second Congress, Second Session, January 2."

Janowitz, Morris -- 1960
The Professional Soldier, New York, Free Press.

Jay, Peter and Osnos, Peter -- 1971
"Fragging," Army in Anguish, Johnson, Haynes and Wilson, George C., New York, Pocket Books.
Melville, Herman -- 1850
White Jacket, Northwestern Newberry Edition, Northwestern University Press, Evanston and Chicago, 1970.
Sherill, Robert -- 1970
Military Justice is to Justice as Military Music is to Music, New York, Harper and Row.
Vagts, Alfred -- 1937
A History of Militarism, New York, Free Press.

COMMON ROOTS AND FUNCTIONS OF THE WARFARE AND WELFARE STATE*

by David G. Gil

Brandeis University

Warfare and welfare are usually assumed to serve contradictory ends and to be rooted in antithetical values, institutions and dynamics. In this essay, I propose to challenge this notion and to advance, instead, the thesis that, in spite of significant differences between them, warfare and welfare serve, nevertheless, identical and complementary functions, and are both rooted in identical societal values, institutions and dynamics.

As with other phenomena which are considered to be "social problems," such as poverty, crime, unemployment, inflation, mental illness, etc., but which are merely by-products of the "normal" workings of certain social systems, warfare and welfare can not be understood and overcome unless their philosophical and institutional roots and functions are first unraveled. This requires studying warfare and welfare from a holistic-evolutionary perspective which treats social, economic, political, psychological, and ideological dimensions of human societies as variables rather than as constants, settled once and for all. When warfare and welfare are explored in this fashion and are placed within the context of universal existential processes, the extent to which they tend to fit the internal logic of certain patterns of these processes should become discernable, and their presumed inevitability can then be demystified.

What, then, are the general functions of warfare and welfare, and from what philosophical roots and values do they derive? To explore these questions, I will focus first on welfare and then on warfare.

Welfare as a Societal Institution

In discussing welfare I am concerned primarily with formal, institutionalized practices as reflected in social policies and services of "welfare-states," whether the services are administered directly by units of government, or indirectly by government-chartered, "voluntary" agencies. I am only tangentially concerned with attitudes and acts of spontaneous and systematic cooperation and mutual aid within families and among friends, neighbors, and members of communities. There is historical and philosophical continuity and interaction between cooperation and mutual aid, and welfare-state policies and services. However

---

*This essay was originally published in the author's book, The Challenge of Social Equality, Cambridge, Mass.: Schenkman Publishing Co., 1976.

for purposes of the present exploration, I am concerned with aspects of welfare state policies and services which differ, in a fundamental sense, from acts of cooperation and mutual aid. For these differences contain the clues to the philosophical roots and societal functions of welfare as an institution.

Acts of spontaneous and systematic cooperation and mutual aid represent transactions among individuals and groups of essentially equal social, economic and political standing. They derive from a sense of mutual caring and responsibility, a shared human and community identity, common perceptions of interests, and value positions tending toward equality, liberty, self-reliance, cooperation, and collectivity orientation. Implicit in these acts is respect for the autonomy and individuality of all those involved, helpers and helped alike. The function of spontaneous and systematic cooperation and mutual aid is to compensate individuals for temporary or extended handicaps or disadvantageous conditions inherent in certain stages of the life process, or caused by natural phenomena and by the vicissitudes of living. The aim of such cooperation and mutual aid is to assure normalization of circumstances and fullest possible integration and participation in community life of those affected by adverse circumstances.

Policies and services of welfare-states, on the other hand, involve usually transactions among individuals and groups of essentially unequal social, economic, and political standing. While these services can be, and often are, administered in a humane fashion, and while they can, and often do, improve the circumstances of deprived and disadvantaged individuals and groups, their underlying function is, nevertheless, to serve as a balance-wheel for social orders based on injustice, privilege, force and structural violence. The values implicit in, and promoted by, welfare-state policies and services are inequality, domination, competition, and self-orientation. To support these assertions I will first clarify my understanding of the terms "welfare state" and "welfare," and will then sketch the evolution, dynamics, and social philosophy of welfare states. Welfare states are states in which:

1. the majority of the population are excluded from free access to, and use of, natural and human-created, productive resources;

2. such access and use are controlled by a small segment of the population who own productive resources, and/or by a state bureaucracy on behalf of the "people-as-owners;"

3. the majority of the population can not be self-reliant through, and self-directing at, work since they depend on "employment" by private and/or public owners and controllers of productive resources who also determine most aspects of production and work;

4. a system has been instituted for distribution, in kind or through money, of "essential" goods and services to "unemployed" or otherwise needy segments of the population, and for allocation of work roles under specified circumstances.

Goods and services distributed, and work roles allocated, in accordance with institutionalized arrangements of welfare states constitute the "welfare" portion of the provision system of these states. Welfare provisions vary widely among welfare states at any point in time, and over time within each welfare state, in terms of type and scope, circumstances of eligibility, and characteristics of eligible segments of populations.

Modern welfare states vary also in economic and political institutions and philosophies. They include oligopoly-capitalist democracies such as the United States, mixed capitalist-socialist democracies such as western and northern European states, and state-monopoly-capitalist, socialist states such as the Soviet Union and certain eastern European states. A common characteristic of modern welfare states, irrespective of economic and political institutions and philosophies, is the emergence of large, hierarchically structured bureaucracies who administer the welfare services of the state and who regulate the access of dependent individuals and groups to needed provisions, services and/or work roles. People in welfare states tend to develop a sense of dependence and insecurity in relation to the work context and to welfare services. Also, since the institutions and philosophy of welfare states sanction and promote manifold inequalities among individuals and groups in society, human relations tend to be competitive, individuals and groups act selfishly, and the existential milieu is alienating and not conducive to human self-actualization.

Modern welfare states tend to be industrialized, urbanized and secular. They are often labeled "developed." However, while industrialization, urbanization, secularization, and "development" have been important factors in the evolution of many modern welfare states, they are not essential aspects. Different variants of welfare states predate those processes and many contemporary welfare states rank low on some or all these dimensions. It seems that the only essential aspects of welfare state societies are dispossession and separation of most people from productive resources, legitimation of such expropriation and separation as "law and order" by the state, and institutionalization of compensatory and control mechanisms by the state to protect the status-quo and, simultaneously, to assure the survival of a dependent, but conforming, population.

The Evolution of Welfare States

All social orders are creations of the human mind and of human actions, or rather of the thoughts and actions of countless humans communicating and interacting through space and time. Social orders emerge through the gradual institutionalization of collective responses to existential imperatives intrinsic to the human drive to survive in natural settings which are always characterized by relative scarcities of life-sustaining resources, and which always require human work to secure such resources. Essentially then, different social orders are different solutions to the same existential problems, namely, to satisfy the biological, psychological, and social needs of their members. Societies can, therefore, be compared and evaluated in terms of the extent to which they succeed or fail to satisfy these needs.

There are four related existential domains for which social orders must evolve institutional structures and dynamics to assure their continuity and viability: management of resources, organization of work and production, distribution of rights, and governance. Parallel to their institutional structures, social orders require a "symbolic universe" which interprets, justifies and sustains these institutions, shapes the consciousness of people, and also interprets nature, the supernatural, the concept of human nature, perceptions of interests and value positions relevant to the institutional order. The legitimation of the social order, socialization into it, and social control of individuals living in its orbit, are the result of mutually reinforcing interactions of a society's "material" institutions and "symbolic universe".

Before describing the emergence of institutionalized welfare and the evolution of the welfare-state, some observations are indicated on the notion of self-reliance. Self-reliance is the opposite of dependence and thus the real antidote of welfare, since dependence is the condition which leads inevitably to the institutionalization of welfare measures. The self-reliance of individuals and of human groups is possible when they are in a position to satisfy their needs by producing for themselves life-sustaining and life-enhancing resources. In order to produce needed resources, individuals and groups must have free access to, and free use of, natural resources such as land, water, air, sunlight, minerals, wildlife, vegetation, energy, and human-created resources such as tools, scientific knowledge, technology and skills, for all production involves bringing together natural resources, human-created resources, and human capacities. Self-reliance then requires freedom to bring these components together in ever new combinations.

It is important to note that self-reliance does not require that individuals or groups produce everything needed for their existence, for self-reliance is not the same as self-sufficiency or autarky. However

self-reliance is predicated upon exchanges among different individuals and groups of their respective products on fair, non-exploitative, flexibly-egalitarian terms. Rough measures for fair exchanges are the equivalence of efforts invested in products, the importance of products in terms of a hierarchy of human needs, and the degree of scarcity of natural resources used in production.

Institutionalized welfare measures commonly associated with the welfare state are rooted in societal processes, structures and dynamics which first undermined, and eventually prevented altogether, opportunities for genuine independence and self-reliance on the part of major segments of populations. The evolutionary process leading to this outcome will now be sketched.

The first and most fundamental step in the fateful process which eventually destroyed opportunities for self-reliance for the majority of individuals in many human groups, and which then led via charity to the welfare state, was the establishment by individuals of claims to exclusive control over territories and natural resources on these. This step was also the beginning of a process leading to warfare and the warfare state. Appropriations for use by one individual and his family was one feasible, and sensible, approach to solving the issues of resource- management and provision during early stages of human evolution. The purpose of this solution was to assure owners and their relations a steady flow of life-sustaining, needs-satisfying provisions, and thus to reduce existential insecurity. This choice, at the dawn of human history, became gradually the root of the powerful institution, ideology and dynamics of exclusive property rights, the archetype and core of many ancient and modern societies.

The choice of individual appropriation of life-sustaining resources was by no means inevitable, nor is it inherent in human nature as is often erroneously assumed. There is ample evidence throughout history, all over the world, that many human groups created social orders using an opposite principle, according to which life-sustaining resources of nature should not be appropriated by individuals for exclusive use and control, but should be freely available for use by all members of a group to sustain and enhance everyone's existence. Hindsight suggests that this egalitarian, cooperative, collectivity-oriented approach to solving issues of resource management and provision constituted a far more sophisticated choice than appropriation for exclusive individual use of resources especially when these alternative approaches are compared and evaluated in terms of the extent to which human needs are satisfied throughout a population, and in terms of efficient use of scarce resources.

The principle of private property as a basis for individual security has had significant institutional, ideological, psychological, and behavioral consequences for human groups who evolved their social systems around that principle. Since owning land and other natural and human-created resources was considered desirable, owning more such property came to be considered even more desirable. This attitude, and actions based on it led to efforts to increase one's holdings, to the emergence of an acquisitive, selfish and competitive mentality, and to human relations shaped by these practices and mentality. As long as enough resources were available for everyone to appropriate a sufficient share to assure his existence, this system worked adequately. However, when all available resources had been appropriated, the mentality and dynamics of acquisitiveness and competition caused people to try to increase their holdings by taking from others by force and cunning.

As the holdings of some people increased while those of others decreased a new, serious problem emerged: Who would work with the natural resources to assure the continuous production of needed provisions? Up to that stage in evolution everyone had worked with his own resources preserving thus his independence and self-reliance. Yet, as the holdings of some individuals increased, they could no longer put them to effective use, working by themselves. Besides, there was also the problem of guarding and defending the holdings amassed in competition with others who constituted an ever present threat, especially since their own holdings were no longer large enough to sustain their existence through work. One ingenuous solution to these complementary dilemmas seems to have been to induce the losers in the competition for property to work on, and to guard, the property of the winners. In this way additional human capacities would be available to the owners of property, while the owners, in turn provided work opportunities and a limited share of life-sustaining products to those who had lost control of sufficient natural and human-created resources, to sustain themselves, and who had consequently nothing left but their own human capacities. This arrangement became the second major step on the road to dependence and welfare, for it gradually accomplished the complete structural separation of major segments of the population from the real sources of genuine freedom, independence, self-reliance, and self-determination through self-directed work, namely equal access to, and use of, productive, natural and human-created resources and facilities.

In passing, mention should be made here of an early variation on the themes of increasing property holdings and recruiting a willing work force from among expropriated segments of the population. This variation was the organization of expeditions for the purpose of expanding control over territories and resources beyond the domain of one's own group and recruiting by force an enslaved work force from among the inhabitants of conquered lands; that is, institutionalized warfare emerged.

An essential next step on the road to the welfare-state were efforts to condition and control the property-less and severely deprived masses of slaves and workers on whose work everyone, including the property owners, depended for survival. The solution to this difficult problem was found in hierarchical organization of work and authority which involved a fine gradation of privilege and power filtered down to workers as inducement for loyalty to their masters, the owners of property. This system resulted in multiple divisions of the work force into competing vertical segments and horizontal strata which received different material and symbolic rewards and power, exercised different levels of authority, and developed different interests, life-styles, aspirations, motivations, reference groups and loyalties.

One further important mechanism for solving problems of conditioning and controlling the work force was to withhold opportunities for work and survival from a sizable segment of the work force, except in times of war. The ever present prospect of unemployment and its disastrous existential consequences posed a constant threat, especially to the lowest layers of the work force, those who were expected to perform the least desirable work. That threat, and the frequent experience of actual unemployment, developed not only into a major mechanism for disciplining the work force but also for keeping the shares of workers in the aggregate product of their work relatively low, ensuring thus the continuation of wealth accumulation on the part of owners.

The developments sketched here schematically in an oversimplified manner have taken thousands of years. They were far from smooth and were accompanied by fierce conflicts and struggles within and among various human groups. Empirical evidence of the stages mentioned in this sketch can be found throughout the history of many civilizations all over the globe. However, with time a societal pattern began to emerge with which we are now very familiar, a social order in which the ownership and control of natural and human-created wealth are concentrated in the hands of a small segment of the population while the rest of the people are essentially deprived of productive resources except for their human capacities which, in the case of most of them are usually not fully developed. Those who own no property can not be self-reliant through self-directed work, the fruits of which they may enjoy proudly. They are forced to depend for their existence on work opportunities provided by property owners on terms that suit the owners' interests to further increase their wealth and control through profit-generating, rather than needs-satisfying, use of productive resources. Furthermore, the propertyless work force continues to be divided into countless layers and interest groups through differential rewards, opportunities, and penalties built into the system, and they are forced to compete among themselves to obtain the rewards and avoid the penalties. Sex, race, ethnicity, nationality, age, formal education, certification, and licensing are all used to increase the internal divisions of the work force, and to prevent its unification and organization around its under-

lying, true existential interest: to liberate the productive resources and facilites in order to achieve self-reliance, freedom and self-determination through self-directed work.

Most now existing social orders have come a long way from the earliest steps of appropriation of territories and natural resources. They evolved through many social, cultural, scientific, and technological stages, from a gathering and hunting economy to agriculture and industry, and from slavery to serfdom and wage-labor. However the basic organizing principle of property rights and relations has remained relatively constant as the core of the changing social-economic orders. Those who managed to own and control productive resources appropriate for the time and developmental stage of their societies gained usually also political influence and power. This, in turn, enabled them to assure the legitimacy of the established divisions of wealth, division of labor and organization of production, and distribution of goods, services, civil and political rights, and social recognition and prestige. Those who gained political influence and power also created the concept, the institution and the ideology of the state, the central function of which became to assure and protect the status-quo of privilege, injustice, inequality, domination and exploitation in every sphere of life, which had emerged over hundreds of generations. The state defined the status-quo as "law and order" and thus legitimated the results of ages of lawlessness and disorder, injustice, force, violence, and cunning. The state was committed to maintain and defend the established order by all possible and necessary means, including covert and overt force, against any attempt to bring about significant changes in the prevailing distributional patterns, policies, and processes.

Certain aspects of the "symbolic universe" and of the consciousness and psychology of people, which evolved in interaction with the institutional developments sketched above, should now be noted. The emerging social orders came to be thought of as "natural" and as the only "right" orders. Eventually they were interpreted as the "will of God," and their rulers were believed to hold office "by the grace of God." Priesthoods, at first hesitatingly, and later enthusiastically, bestowed their blessings and full support on established orders and affirmed the sanctity of private property and its guardian, the state, inspite of contrary prophetic messages in the Scriptures and other sacred sources.

Humans were thought to be unique, at the peak of nature, apart from the rest of nature rather than harmoniously integrated into it, nature's masters designated by God. These notions led in time to an exploitative attitude toward natural resources, and to mindless waste and destruction. Human nature was thought to be evil, and, indeed, humans displayed evil attitudes toward one another, and tended not to trust others. Furthermore, humans came to be thought of as unequal in worth and as entitled to different rights, depending on the amount of property and power they managed to acquire. Success in the acquisitive drive was interpreted as indication of superior qualities, as evidence of virtue and of God's blessing, and hence, as a basis for social recognition and prestige. Conversely, failure in the acquisitive drive was interpreted as due to individual shortcomings, to sinful ways, to God's condemnation and rejection, and, hence, a basis for societal contempt, disapproval and rejection.

Life itself came to be viewed as a permanent contest in a zero-sum game, with everyone struggling "to get a larger piece of a finite pie." People developed selfish, inegalitarian and competitive attitudes toward one another and a jungle mentality of mutual fear, suspicion, and mistrust, envy and jealousy. They came to view themselves as subjects and everyone else as potential objects to be used and exploited. They manipulated one another pragmatically, in accordance with "the rules of the game," for their individual ends. They related to one another through formal roles rather than as whole, feeling and caring human beings. They became lonely, isolated and alienated. To compensate for their emotional deprivations they escaped into substitute gratifications, illusions, drugs, alcohol, and mental ills.

Attitudes toward work came to reflect the emerging institutional contradictions. Originally, work was respected as an important source of human wealth and as the means for human survival and for the enhancement of the quality of life. There was also pride in a well executed job and the resulting product, and enjoyment of the fruits of their labor. These original and functional attitudes towards work, the original work ethic, were destroyed when people were expropriated, their access to resources and productive facilities was subjected to control by others, direction of their work was removed from them, and products were taken away from the producers, in short, when work became exploitative. These developments caused work to be viewed as an unavoidable chore and evil. The joy of creativity had gone out of it. Besides when owners of wealth began to withdraw from work and to develop a cult of leisure and an ethic of work avoidance, according to which engaging in physical labor was debasing and demeaning of the person, negative attitudes toward work began to permiate the consciousness of the population. Henceforth,

people tried to work as little as possible and to shift work onto others, especially when it was intrinsically unpleasant and dangerous. Gradually also, in order to increase output, profit, and efficiency measured by economic criteria only, most work processes were structured in a manner that undermined the possibility of intrinsic gratification. Work became boring, mind-killing, and offensive to the senses. Using the worker's intellect at work became counter-productive, an obstacle to speed and efficiency. Furthermore, work took place within the general competitive context of the struggle for survival and advancement and within hierarchically structured huge bureaucracies. This too added to the oppressive experience of work and increased alienation from work and frustration from the unrewarding human relations of most work places.

Clearly, institutional developments had resulted in massive disincentives to work. To counteract these trends a work-ethic had to be resurrected on an illusionary base. The only real work incentive given the institutional reality and ideological developments, was the fear of starvation. To this a myth had to be added, according to which hard work was a direct road to success and wealth as well as an indirect road to salvation, for after all, work was "sacred". With the aid of this myth the commitment to work on the part of those who had to work was to be shored up. There was enough truth in this myth to render it believable in spite of overwhelming contrary evidence. And so the myth continued to survive and to sustain exploitative work processes of a production system where labor, a function of humans, is employed by capital - lifeless matter, in the interest of the owners of capital. This production system is a far cry from a mode of production fitting the original work-ethic, a system where whole humans freely employ resources to advance their existential interests.

Having sketched the institutional evolution and the symbolic universe of social systems organized around privately owned and controlled productive resources and facilities, the functions of institutionalized welfare policies and services in such societies can now be spelled out. Essentially, institutionalized welfare fits into such social systems as a safety-valve or balance wheel. It constitutes an effective and even "efficient" line of last defense which can be adjusted flexibly to changing circumstances and to recurrent threats to the systems stability.*

Social orders fitting more or less the dynamics discussed here have caused throughout their evolution, and continue to cause at present, immense suffering of many millions of propertyless and income-less human beings. When people have no wealth and when

---

*Frances Fox Piven and Richard A. Cloward, Regulating the Poor: The Functions of Public Welfare. New York: Pantheon, 1971.

their income ceases, or is insufficient to sustain a minimal existence because of age, illness, accidents, death of bread-winners, unemployment, low wages, lack of education and skills, discriminatory practices, etc., all of which are quite "normal" occurences in these societies, their very survival would be threatened, unless they received voluntary aid from relatives, peers, neighbors, and other caring individuals, or unless some formal institutional mechanisms are established to assist them. No doubt institutionalized charity and welfare are rooted partly in the neighborly, humanistic response to suffering, in a common human identity, in a collective sense of guilt, and in a desire to stop suffering and to satisfy human needs. Yet these humanistic elements were never strong enough to bring about an open challenge to the systemic roots and forces which render dependency and its correlates and consequences inevitable.

Yet institutionalized welfare does not merely refrain from confronting and challenging the structural obstacles to self-reliance and human liberation which are inherent in the social orders of welfare states. Being themselves created and maintained by these social orders, welfare institutions and their policies and services aid in many ways in the preservation of these social orders and their ideologies. A central function performed by the welfare system is the pacification of suffering and oppressed groups during periods of potential rebellion, a cooling off of potentially explosive moods. No doubt, were the entire welfare system to cease to function tomorrow, those now dependent upon it for sustenance and survival could not be stopped from rebelling and from severely threatening the prevailing social order. Clearly then, by assuring through the welfare system an utterly inadequate mode of existence for masses of deprived individuals and groups in the population, the privileged segments of welfare-states succeed to assure the maintenance of the existing inegalitarian order at relatively little cost.

Further contributions which the welfare system makes to maintenance of the prevailing social order of welfare states are the socialization and control of marginal segments of the work force. These people are blamed through the ideology of the welfare system for their failure to be self-supporting and self-reliant in a context which is structured to prevent them from ever becoming self-supporting and self-reliant.* They receive some minimal aid from the welfare system in a dehumanizing manner that tends to undermine their self respect. That aid is kept systematically below the level of the lowest going wages, and as soon as some undesirable jobs become available assistance is withdrawn and people are forced back into the marginal positions of the productive system. This kind of

*William Ryan, Blaming the Victim, New York: Pantheon, 1971.

assistance is actually an indirect subsidy to businesses who depend on this marginal work force. Frequently, also, the welfare system provides more direct subsidies to businesses, through tax-cuts and wage support for "manpower" training programs, in accordance with a theory according to which benefits would "trickle down" to poor segments of the population from stimulation of business activity and greater profits.

The controls used to discipline the marginal segments of the work force reach, however, far beyond those directly affected. Segments of the work force slightly above these marginal segments live under the constant threat of being pulled down to the welfare level unless they work diligently at their jobs. The treatment of those receiving welfare is designed to deter those slightly better off from ever applying for welfare and to differentiate themselves in any possible way from welfare recipients. The only way to stay off welfare and off unemployment compensation is to hold on tightly to available jobs, however frustrating these jobs might be.

It may be noted in support of the characterization of institutionalized welfare as serving primarily system-maintenance functions that even progressive proposals for welfare reform such as massive income re-distribution do not challenge the principle of private ownership and control of productive resources, which is the central obstacle to human liberation and to the establishment of an egalitarian social order in which alone people can regain self-reliance and self-determination. Further evidence comes from welfare states with the most liberal welfare policies and services such as the Scandinavian countries. These societies too, maintain privileged segments within their populations and although the circumstances of the non-privileged segments tend to be far more tolerable than in less developed welfare states, the fundamental issues of human liberation, namely, free access to productive resources, self-reliance, and equality of rights to free and full-development and self-actualization through self-directed work, remain essentially unresolved.

Summing up the discussion of institutionalized welfare in the context of welfare states, we found that the key institutions of human existence in welfare-state societies function in a manner which assures privileged conditions in all spheres of life for a small segment of the population at the top of a finely graded pyramidal social structure, and enforced dependence and severe deprivation for a fairly large segment of the population at the bottom of the pyramid. People between the group on top and that at the bottom find themselves in a continuous competitive struggle to move upward and to avoid being pushed downward.

The severe deprivation experienced by those at the bottom has often been interpreted as violence inherent in the very structure of the system, a form of violence that does not destroy life with a single blow, but which obstructs the full and free development of the life potential of many millions of people through the "normal" processes of the social order. Many minds and souls are slowly being killed as one of the externalities of the workings of welfare-states. Moreover, not only the most severely deprived segments suffer from this "violence of peace". The whole order seems to be maintained in balance, and everyone's development seems inhibited, by ever present latent force and by ideological indoctrination. It is highly unlikely that human beings would otherwise submit themselves voluntarily to conditions of severe injustice which prevent the full actualization of everyone's human potential.

The policies and services of institutionalized welfare in the welfare state were shown to fit into this system like a hand fits into a glove. Welfare is an essential component of a broad range of mechanisms through which the inegalitarian, oppressive and covertly violent social orders of welfare states pacify, condition, and control their populations, and defend and perpetuate their social systems. Clearly, these systems could not survive without elaborate defenses. The conclusion is inevitable: a central function of institutionalized welfare is the defense of privilege, the perpetuation of dependence and injustice, and the prevention of genuine self-reliance. Its roots are a philosophy, consciousness, values and dynamics of inequality, acquisitiveness, selfishness, domination and competition.

Warfare as a Societal Process

While welfare tends to destroy human life potential slowly and somewhat covertly, warfare employs overt, destructive force and violence for the same objectives, the attainment and defense of privilege at home and abroad. Warfare, although its dynamics and ideology are not less complex and contradictory than those of welfare, may nevertheless be less difficult to comprehend, since its roots, functions, and values are usually less disguised.

As indicated, when discussing the evolution of the welfare-state, claims to exclusive ownership and control of territories and natural resources are likely to have been first steps on a course that has often led to warfare. Such claims by individuals and groups of humans imply the establishment of a privileged position in relation to others. If others respect such claims, and if similar claims by others are also respected, no conflict leading to warfare need arise, especially if every group manages to sustain its existence on the territory it claimed, and if exchanges of different goods and raw materials take place among different groups on fair, egalitarian terms.

History suggests, however, that relations among humans all over the globe were frequently defined and perceived in conflict terms and many groups permitted their conflicts to errupt into "cold" and "hot" warfare, rather than settle them by attempting to redefine the context in common human interest terms.

Conflicts that lead to warfare were always related to efforts to defend or increase existing privileges with respect to control over territories or natural and human resources, to establish such new privileges, or to challenge privileges and claims established previously by other groups. It seems that the declared causes of warfare were hardly ever valid in an objective, absolute sense. Rarely if ever, was warfare the only available course toward survival and enhancement of the quality of life for the groups involved. However, in the subjective perception of those involved warfare usually was viewed as the only alternative open to them.

Warfare is more likely to be initiated by human groups who developed internally in accordance with inegalitarian and acquisitive institutional patterns and values, than by egalitarian and cooperative societies. Warfare in such cases is merely an extension outward of the behavioral patterns and the mentality that shapes internal human relations and institutions. Inegalitarian, acquisitive groups, as we have seen, are divided and polarized internally and will often engage in internal "civil" wars. Extrapolating the conflict model of human relations, and of the life context in general, unto external relations appears to them perfectly logical and natural. When those in power in such groups present an external war as being in the interest of the whole group, or in the "national interest," they are consciously or unconsciously distorting reality. While they may believe their own claims, warfare is unlikely to ever be in the true existential interest of those who are induced or forced to do the actual fighting. Those who do derive advantages from warfare are less likely to do the actual fighting. For the only ones who tend to come out of warfare with advantages and increased privileges are rulers, planners, commanders, providers of war supplies, and owners of productive resources. The fighting men, the ones who take the risks and losses, are usually members of propertyless groups who also tend to be deprived and oppressed during "peaceful" periods at home. External warfare may also be used to deflect public consciousness from internal grievances and from intense internal conflicts between small, powerful, dominant elites, and the rest of the population. At such times, phrases like "national security" and "national interest" become important codewords and myths. Illusions of "national unity" are fostered and people's minds become confused as to the real dynamics of the situation. Appeals to nationalism prior to and during times of war, usually succeed to interrupt efforts concerned with real internal problems of a population, partly, also because warfare tends to eliminate unemployment and thus can create illusions of prosperity.

Presumed threats to the national security and suspicion of foreign secret agents, and of foreign enemies, are also handy excuses for secret, and, at times, open repressive measures at home, and for equating internal critics and opponents with foreign enemies which makes it more easy to deal with them as enemies.

This brief discussion of selected aspects of warfare suggests that it is always related to the creation, maintenance and protection of privilege, occasionally for an entire group, but usually for the privileged segments of groups organized on inegalitarian, acquisitive principles, and guided by conflict and zero-sum models of human relations and human existence. Such human groups are usually organized as formal states, and they are thus the very same social systems we encountered under the label "welfare-states" in the preceeding discussion. Clearly, warfare serves indentical and complementary ends to welfare and both derive from the same roots, dynamics, values and ideology. Both have also domestic and foreign versions. In the case of welfare, the foreign version is called "foreign aid" which comes never without strings, the strings being protection of the selfish interests of the donors and their privileged circumstances. In the case of warfare, the domestic version is forceful repression of rebellious groups and civil wars, which are intended to maintain the status-quo of privilege at home.

Warfare and welfare also interact in many ways and thus reinforce each other as they pursue their common objectives, at times jointly, at other times separately. It is perhaps not mere coincidence that the warfare establishment and the welfare establishment operate through similarly structured bureaucracies, that they tend to use a similar vocabulary, e.g. "target populations," "intervention strategies," "war on poverty," etc. and that top officials will move in the United States, a leading example of the warfare-welfare state, from the Department of State, to the Department of Defense, and from there to the Department of Health, Education and Welfare and finally to the Department of Justice, the one that defines institutionalized injustice as the "law of the land".

The warfare and welfare state is designed to perpetuate inequality and injustice among humans at home, and among the peoples of the world abroad. It employs a multi-dimensional approach to defend the privileged circumstances and the corresponding power relations which emerged over generations through systematic elaborations on the simple principle of private ownership and control of scarce productive resources.

Epilogue

What suggestions can be derived on the basis of this depressing analysis of the roots, functions, dynamics, values, and ideology of the warfare and welfare state?

Problems of welfare can not be fully comprehended, nor overcome effectively, within the context of currently dominant conceptions of the welfare state which treat the fundamental organizing principles of the social order as constants. Welfare state reforms however comprehensive, merely introduce new variations on the underlying theme of managing dependence and preventing genuine self-reliance. Such reforms can not solve the fundamental problems, although they may ameliorate deprivation and are thus desirable in these limited terms.

Real solutions to welfare must begin with a radical redefinition of the issues, goals and values. Dependence must be related to its causes in the manner productive resources are now owned and controlled, work and production are organized, rights and responsibilities are distributed, and decisions are made and implemented. There is only one solution to the welfare state: to abolish its institutionalized version by liberating productive resources and assuring access to these resources to all humans on equal terms so that they may become free, independent, productive, and self-reliant citizens of self-directing, democratic and cooperative communities.

Problems of warfare too, cannot be overcome without fundamental redefinitions of the issues. Here too, amelioration that moves toward disarmament or reduction of war threats is desirable, but is only a temporary answer. Issues of warfare cannot be solved by degrees but only by qualitative changes. Like in the case of the welfare state, the underlying causes must be confronted and eliminated. The causes were identified as competitive pursuit of privilege at home and abroad. Hence the answer is the elimination of all privileges and equalization of access to the world's resources for all the world's people within a context that stresses the underlying common existential interests of all humans everywhere. Not surprisingly, the solutions to warfare and welfare are identical since their roots, functions, dynamics, and values were found to be identical.

Finally, it seems that solutions to issues of warfare and welfare require the gradual transformation of the welfare state and its alter-self, the warfare state, since states are the guarantors of privilege and injustice. The competing welfare-warfare states which now dominate the world with disastrous consequences for the quality of life of all humans, including the most privileged segments, and which threaten the chances of survival of humankind, will have to be transformed into a coordinated, egalitarian, cooperative federation

of self-reliant, free communities, each directing its own affairs and life-style through genuine democratic processes, each guaranteeing to its members equality of rights and responsibilities, and all participating in exchanges of raw materials and human-created goods and knowledge on fair, egalitarian terms.*

These then are the logical conclusions of reasoned analysis. Transforming this logic into new existential possibilities, in spite of overwhelming odds, is the crucial task for political practice by humanistic movements committed to genuine liberation and self-actualization for humans everywhere.

---

*For a systematic discussion of solutions to the problems of the Warfare-Welfare State see the essay, "Resolving Issues of Social Provision," in my book The Challenge of Social Equality, Cambridge, Mass.: Schenkman Publishing Co., 1976; see also my essay, "Social Policy and the Right to Work" in Social Thought, January, 1977.

A DISARMED WORLD: PROBLEMS IN IMAGING THE FUTURE

by Elise Boulding

University of Colorado, Boulder

One of the major handicaps to scholars, activists and would-be policy makers associated with the post-World War II peace research and peace action movements has been the inability to construct coherent and believable images of a post military-industrial United States society. Even at the height of the economics of disarmament studies in the 1960s[1] the most that economists could demonstrate was that disarmament could take place without severe economic dislocations, and that resources released from arms could be used for improving the global standard of living. The new peace research movement was also producing books in the sixties showing that it was possible to replace a technology of warmaking with a technology of peacemaking, but what the new society would look like, no one could spell out.[2] A week-long seminar on Images of a Disarmed World held in Denmark in the summer of 1963[3] generated a great deal of analysis by the socialist and nonsocialist economists participating, but not one word about what the future would look like. This was typical of such seminars in that decade.

If any intellectual discipline today could contribute to imaging a disarmed world one would expect that the new field of future studies would do this. Yet futurists as a group, with two important exceptions, have to date failed signally to come up with such images. The exceptions are the World Order Models Project of the Institute of World Order, which includes disarmament as one of the values to be incorporated in its models of preferred future worlds[4] and the futurists associated with the international peace research movement.[5] These scholars represent a specialized branch, however, rather than the mainstream, of futurists.[6] The general failure of futurists to deal with disarmament is to a considerable extent because their techniques involve projections based on past trends in a select class of variables, from which disarmament is excluded. When futurists whose expertise is in weaponry provide insight into future handling of world security systems, the tendency is to predict weapons breakthroughs rather than disarmament proposals.

It is ironic that public debate on two major policy issues in the United States today: (1) whether to aim for a no-growth economy and (2) whether to go all-out in the development of nuclear power sources, hardly touches on one major U.S. energy constraint: military commandeering of fuel sources. The energy that goes into protesting civilian nuclear energy seems disproportionate to the paucity of protest over nuclear weapons. Only when hitherto non-nuclear states want nuclear plants is concern expressed over military uses of nuclear energy.

Given the general lack of discussion of arms policy, public debate on alternative futures for the year 2010 seems woefully incomplete. The resolution proposed recently at the June 1976 national mayor's conference suggesting that national arms expenditures be reduced and the resulting savings be channeled as aid to U.S. cities

as a better investment in national security than weaponry, may foreshadow more realistic imaging of alternative futures on the part of policy makers in the future. On the whole, however, since technological futurists can only visualize a future world based on a power structure substantially similar to that of today, they leave armament levels carefully to one side.

In a sense, American society is trapped by its own rhetoric at this point in history, since we have dealt with the pain of the numerous contemporary social upheavals by talking a great deal about alternative futures. In practice, few persons can imagine anything between the present way of life and catastrophe. The "alternative futures" explored turn out to be elaborations of present ways of life based on a series of miraculously appearing technological breakthroughs. The other type of alternative future, involving recycling, the simple life and a back-to-the-land movement, certainly has some serious exponents, but more people like to read about it than do it. A well-thought out concept of disarmament, either as a process or as a social condition, does not accompany any of these alternative future images.[7]

Does it matter whether we can create mental constructs of a disarmed world or not? Is it not enough that we develop some sense of being in touch with ameliorative processes and then work ahead realistically with one-year, two-year and five-year plans? Is not this the way social "evolution" actually works? The answer to this question depends on one's reading of history.

The reading of history given by the Dutch sociologist Fred Polak, one of the first major twentieth century futurists, tells us that over the millennia those societies have flourished that have generated visions of something quite different than the immediately experienced reality. These visions have historically been subject to a process of social selection that leaves the field to certain images having a powerful capacity for social resonance. These images act as generators of social energy and actually draw societies toward their realization. In the macrohistorical Image of the Future, Polak[8] shows how each great civilization of the past has been shaped by resonating images of the future that preceded it. In bringing us to the twentieth century, Polak pictures a decline in the West of that imaging capacity through the very realization of the potent images of the Renaissance and the Enlightenment. Planning, the socialist world's gift to this century, has squeezed out the visioning process and we are left with moment-ridden societies. It is nevertheless not too late, says Polak, to regain the visioning capacity by recognizing what we have lost and consciously cultivating it again.[9]

We might well ask, why bother to reconstitute the visioning capacity if it is only to lead us anew to where Enlightenment visions have already brought us? A critique of past imaging indicates that the bulk of past images seem to present themselves in the language of conquest: conquest of nature, of territories, of people, of ideas. We have experienced a great deal of conquest imagery, in our learning of history, in the sequence of conquest empires rising in the lands bordering the Mediterranean and in Asian lands over the last five millennia, and more recently in Europe and the Americas. Any history book provides a wealth of materia

on kings and kingdoms, of wars of expansion, of technologies of resource utilization that accompanied them, and technologies of social organization that made the administration of new territories possible.

What if the last wave of conquest imaging that led to the industrial revolution should turn out to be an evolutionary dead end? Are all images of the future conquest images, or only some of them? Pessimists would say that we have two alternative dead ends ahead: destruction or decay. Hazel Henderson writes of the danger that the end-game of industrialism might be the condition of the entropy state,

> a society at the stage when complexity and interdependence have reached such unmanageable proportions that the transaction costs which are generated equal or exceed its productive capabilities. In a manner analogous to physical systems, the society winds down of its own weight and the proportion of its gross national product that must be spent in mediating conflicts, controlling crime, underwriting the social costs generated by the "externalities" of production and consumption, providing ever more comprehensive bureaucratic coordination, and generally trying to maintain "social homeostasis," begins to grow exponentially."[10]

Such a society must eventually peter out from exhaustion of all social and physical resources. Most of the ameliorative technologies produced to deal with contemporary American problems are thought likely to hasten the entropy state.

Yet many of us will intuitively reject the notion that industrialized societies are at a dead end. This intuitive rejection of the entropy state concept is based on something more profound than a denial of the problem of running out of fossil fuels. We have lived with concepts of progress and development and the power of specialization and differentiation for so long--they can't be simply erased. The intuition that there are human continuities that carry us through drastic changes is sound, and forms an important part of the critique of "futures thinking." It may be that the historical record can provide us with other sets of images of the future besides the conquest images, constructs that have retained some kind of cultural viability through the centuries of conquest and might provide a resource for visualizing futures that minimize violence, are more conserving of the planet, and offer higher levels of human welfare.

It is obviously impossible to provide a complete survey of non-conquest images of the future contained in the historical record in this paper. However, even a cursory glance at materials from antiquity reveals recurring images of human beings living peacefully together "in a garden." In this garden there is abundance, there is sharing, there is joy. The nomads of the Middle Eastern deserts, the Greeks who farmed the stony soil of Attica, and the norse who farmed even stonier soil by the North Sea, all knew the image of the abundant and peaceful garden. Both nomads and settled folk had the image. Sometimes these images

are of a golden age in the past, sometimes they represent visions of a coming age or an after-life. What is interesting is that they all have in common an idea of human togetherness and sharing; fighting to kill or take captive is eliminated from the scene. One might label these legends cultural potentials for peaceableness. They are in various ways reflected in the ideal social order of each imaging society, in its laws, and in its treaties with other nations after wars. The fact that such images come from well-known warrior societies makes them all the more interesting. It is noteworthy that these images are describing warriors who have become androgynous beings, embodying the nurturant and the assertive traits of humanity.

Sacred Images of the Peaceable Garden

Spencer gives us the dream of universal peace of the ancient Romans in the passage "all loved virtue, no man was afraid of force. . .no war was known. . . peace universal reigned amongst men and beasts. . . ."[11] Before the Romans, the Greeks posited a place to which warriors sometimes found their way. Meneleaus, returning from the Trojan Wars, was told that the gods would take him to the Elysian fields where a "fresh singing breeze blows from the sea and renews the spirits of men."[12] . . .Aeneas, actually taken to these groves, "saw the founders of the Trojan State . . .and gazed with admiration on the war chariots and glittering arms now reposing in disuse . . . ."[13] The Norse knew of such a place, to be found at the center of the universe in the Plains of Ida. From its great hall, Valhalla, Odin sent women who had been earthly heroines to bring in fallen heroes from earth to a paradise of alternate feasting and fighting which represented a compromise scenario for the peaceable kingdom.[14]

In Hindu mythology, replete with many warriors and battle scenes, Vishnu appears as Kalki at the end of the present age of the world to destroy allvice and wickedness, and restore mankind to virtue and purity. The theme of restoration of goodness on the earth is also the theme of ancient Jewish prophecies, "and they shall beat their swords into plowshares. . ."[15] The Christian vision of the good place in Revelations centers around the river of life whose fruit and leaves were for the feeding and healing of nations.[16] In the Islamic vision, God has recompensed his people with a garden.[17] The delights of fountains, shade trees, soft breezes and abundant food change behavior such that "should an ugly word fall from someone's lips. . .the answer from the other shall be nought but 'peace, peace.'"[18] The fact that all these images of the good place appear as gifts of the gods in diverse traditions, takes nothing from the significance of the fact that a non-militaristic welfare state was conceived as desirable in the intellectual imagination of antiquity.

Images of Peace in Statecraft

However, images of a just and peaceful social order are not confined to the religious domain, to the utterances of prophets and priests. In every age, there have been rulers and advisers to rulers who have seen as their secular task the creation of an envisioned social order in their own domains <u>and beyond</u>,

through the creation of just and peaceful relationships with the peoples around them. Less celebrated than the practitioners of Realpolitik throughout history, they have nevertheless made their mark on every century.

King Hammurabi, who ruled in Babylon from 1730 to 1685 B.C., issued a Code of Laws which stands as one of our earliest evidences of the responsibility of governments for a beneficent social order. Hammurabi described himself as one who caused "righteousness to appear in the land, . . .that the strong harm not the weak."[19] Iknahton and Nephretite, who rules Egypt from 1375-? to 1358-? B.C., made the decision to withdraw their troops from their conquered lands, leaving only ambassadors to represent them. All the lands were given autonomy, Iknahton and Nephretite retaining only advisory control in a structure that was essentially a federation. The federation lasted until Iknahton's death.[20] From 776 to 168 B.C. the Greek City States made one effort after another to form leagues to control their own militarism, though they had little success.

Yet those struggles bore many fruits. Many centuries later, Aristotle purportedly conceptualized the world as a garden in which justice rules this world.[21] King Darius, who rules Persia from 522 to 486 B.C., had inscribed on his tombstone that "it is not my desire that the weak man should have wrong done to him by the mighty; nor. . .that the mighty should have wrong done to him by the weak."[22] While the Greek City States sought to create order among themselves, and Darius sought to create order by conquest, China was undergoing a similar struggle. Out of the Chinese struggles came the writing of four great ancients: Lao-Tzu, Confucius, Mencius, and Mo-tsu, each of whom questioned the need or validity of violence and warfare. They looked beyond a simple acceptance of human conflict to theoretical principles and actual behaviors that would lead to a just and peaceful social order with shared abundance. Lao-Tzu in the sixth century B.C. warned against war as an instrument of social policy.[23] Mo-tsu in the fifth century B.C., recommended love as a political principle.[24]

India also struggled with acute problems of social disorder in these centuries, and by the third century B.C. Emperor Asoka foreswore the sword as an instrument for implementing the right. In his edicts he announced that all men were as his children, and he wished for all peoples the good and the happiness that he wished for his children; he valued neither gifts nor honour so much as "the promotion of spiritual strength among men of all religions.[25] In abjuring conquest after his earlier military exploits, he announced that "conquest can be regarded as having been really no conquest at all because it was characterized by killing, death, or the captivity of the people."[26]

The image of the world as a family, and of the relationships between states as ultimately resting on the mutual acceptance of familial responsibility among all human beings, is never totally absent from formulations about the human polity from the sixth century B.C. on. The Roman Emperor Marcus Aurelius expressed it this way during his reign, from 121 to 80 B.C.:

> If our intellectual part is common, the reason also, in respect of which we are rational beings, is common: if this is so, common also is the reason which commands us what to do, and what not to do; if this is so, there is a common law also; . . . if this is so we are members of some political community; if this is so, the world is in a manner a state. For of what other common political community will any one say that the whole human race are members.[27]

With the coming of Christianity the struggle to affirm world community and peaceableness in a world habituated to violence did not lessen. Many advocates of necessary violence and the just war have been found in both non-Christian and Christian societies from the very beginning of the new era up to this present time. By the second century Tertullian was sending men who would not serve in the army.[28] By the fourth century St. Augustine's acceptance of "God's wars," and the "just war" based on analogies from the Old Testament[29] set the pattern for the holy wars of the crusades, yet the voice of nonviolence was never wholly absent in the Christian church.

Islam, sharing the same holy book, the Old Testament, with the Jews and the Christians, experienced the same division over the role of war in establishing a just social order. The doctrine of the Jihad, the holy war, must be seen over against the many injunctions in the Koran to prefer for one's brother whatever one prefers for oneself; and to do good, not evil.[30] The crusades brought out all the unresolved conflicts in the religious teachings of both Christianity and Islam, and showed the difficulty both of understanding visions embedded in other cultural formats, and of translating utopian images into human strategies.

Women, who in every society have had a special part to play in briding the gap between ideal and reality in their role as childbearers and nurturers of families are rarely mentioned in chronicles of war. There were women's voices lifted among Moslems and Christians alike during the Crusades, however.[31] The often hidden role of women during and after war can be discerned by the seeker of images of peace in the history of the queens of ancient Babylon and the royal women of the Holy Roman Empire. In Europe's Dark Ages, Christian queens tamed warlike kings and built a network of monastic centers of learning and healing that were to contribute substantially to the great cultural flowering of the later Middle Ages. Great peace queens arose in small European principalities during the religious wars that tore Europe apart in the sixteenth century. In North America in 1457, the Council of Matrons of the Iroquois accepted the task of nominating the Civil Chief of the newly founded Peace Confederacy of the Iroquois. The Constitution of the Five Nations committed the tribal leaders to casting their "weapons of strife" into the "depths of the earth," thus establishing peace among a united people.[32] Each political effort to create a peaceful social order beyond the borders of the nation state foundered on the incapacity of existing institutions to produce the order visualized. Yet the concept of a new warless social order continued to evolve.

From the Old Images of Peace to the New: A Pluralistic Universality

The images of peace in the ancient world were images generated within one culture, and based on that culture. Even the gentlest and most nonviolent of the images assumed the acceptance of a certain world view. And when the ancients used the term world, they knew very little of what they meant. They knew very little of the world in its geographic and cultural immensity. Even Cruce and Grotius who by the seventeenth century had begun to use the new information coming in from the increased contact with the Americas, Asia, and Africa, in their work of mentally constructing a peaceful world order, still visualized a world based on the model of the Christian nations of Western Europe.[33]

Europe was the center of the new "world club," and would simply invite all other nations into the club. The charter for that club was being built up gradually out of such major social achievements as the English Bill of Rights in 1689, the Virginia Bill of Rights in the new world in 1776, and the French Declaration of the Rights of Man in 1789. It was constructed out of the various efforts to end the slave tradeby the great powers from 1776 until 1890, at which time a sixteen-nation multilateral agreement to end slave trade was signed. The charter was built by way of interventions and treaties to protect minorities that evolved during various minority persecutions in the latter part of the nineteenth century, and by conventions about the treatment of the wounded beginning in 1864. Other nations were admitted to the public law of Europe, but it was still Europe's law.

The first major breach in the all-European character of the world club (by then including both Eastern and Western Europe) came in 1899 at the First Hague Peace Conference, with the participation of the ancient Asian states of China, Japan, Persia and Siam. At the Second Hague Peace Conference in 1907 Latin American republics began to play a part. With the founding of the League of Nations in 1919, Middle Eastern nations became active, including particularly Egypt and Iraq. At this point socialist images of the future began taking political shape in Eastern Europe, making visible long-ignored differentiations of economic-based class interests, as well as already acknowledged differentiation of cultural and religious interests. The next major breach came with the founding of the United Nations in 1945, which now has 219 units relating to the world organization as members or territories.

What has this brief historical survey demonstrated? That side by side with the conquest tradition, which in its western industrialized form has brought us face to face with the alternative possibilities of nuclear destruction or a petered-out entropy state, there is another set of traditions about the peaceable welfare state. Those traditions are in two forms: (1) sacred images of the good society and (2) political experiments on the part of visionary statesmen and stateswomen. The richness of both the visions and the experiments makes it

possible to utilize them as a resource in revitalizing the lagging creativity of our own futures-imagining in relation to a more peaceful and just society.

Social Welfare Professionals as Creators of Peaceable Futures

Demilitarization of an advanced technological society in a tightly interdependent militarized world presents problems at many different systems levels and cannot be separated from the demilitarization of the world as a whole. Yet the pressing need to decentralize, and to localize human production, distribution, support services and social defense, requires that we learn to think locally and globally at one and the same time. One of the most promising images of a peaceful future world to come out of the twentieth century, dealing directly with the challenge of global localism, is David Mitrany's Working Peace System.[34] Parts of this vision of a series of functional global networks to provide for humanity' health, education and welfare needs were published as far back as the 1930s. His vision of service-oriented networks providing so effectively for human needs that states will wither away has always been treated as very naive politically. Nevertheless, we have witnessed in this century a tremendous growth in transnational nongovernmental networks, all of them providing human services and cultural enrichment of one kind or another. There are now roughly 3000 of these transnational networks where in 1900 there were only a couple of hundred of them.[35]

At the national level, resource crunches will continue for all first world countries including the U.S., and some federally administered services may well begin to collapse in the next decade. Social workers will be in a unique position because of their rootedness in local communities and their membership in a large number of transnational nongovernmental networks, to begin experiments now with developing nonhierarchical communication channels inside these networks. Nongovernmental institutional structures are fairly rudimentary in the 1970s. To the extent that they are formalized they often tend, by default, to be traditional in organizational format. They are linked with the UN but are not administered by its agencies. Compared to governments, they have few vested interests to protect. Innovation now, while they are still fluid, will be more possible than later. As they come to be more heavily used they will become more heavily institutionalized. Local centers of these service networks will be able to link with local, cultural and ethnic separatist groups which are increasingly on all continents showing their desire to be disassociated from the nation state systems into which they have been more or less forcibly assimilated in recent centuries. Where terrorism and violence has not yet erupted, these support networks may provide alternative and nonviolent ways to accommodate desires for autonomy of these separatist groups. This will be true in much of Europe and the Americas, and parts of Africa and Asia. Where violence is already tearing apart an unwillingly "integrated" society, these networks offer the possibility of rebuilding local community independently of governmental assistance in the future.[36]

Disarmament is not likely to be adopted as national policy by any major power in the near future. Increasing unwieldiness and ineffectiveness in both military and civilian governmental structures can be anticipated. Given the insecurity, fears, and economic uncertainties of both major and minor powers today, the U.S. included, the time is very ripe for the creation of a variety of images of a post-nationalist world based on a variety of nonviolent solutions to the problems of economic productivity, social defense and human welfare. The Mitrany image represents one possible future. The world order models of the Institute of World Order, using various combinations of Mitranian functionalist networks, transnational associations, UN agencies and other organizational innovations, provide others. They all have in common an emphasis on nonviolence and local autonomy.

The rate of social innovation in the late twentieth century is extraordinarily high, and has been little recorded as a macrophenomenon. Most of these innovations are byproducts of other problem-solving efforts, but may take on increasing importance in the twenty-first century. Take for example the peacekeeping forces of the UN, created on an ad hoc basis from crisis to crisis over the past twenty years, which now stand revealed through Charles Moskos' research as having produced a constabulary ethic and a nonviolent behavioral repertoire in a group of soldiers all trained for combat.[37] The new behavior was produced in the field, independently of prior training, national, cultural or class background, or any other differentiating social variable. It is out of such discoveries that we will forge the less violent society of the twenty-first century.

The work of imaging new institutions and new futures must accompany experimentation with the possibilities of existing nongovernmental and intergovernmental networks, and the creation--where necessary--if new ones. These are the types of transition activities that will overcome the feelings of helplessness and social paralysis that are bound to accompany the decline in quality of governmental functioning for the rest of this century. These same activities will help to bring about new types of social order more suited to human needs and world resources in the twenty-first century.

Footnotes

[1]Emile Benoit and Kenneth E. Boulding, Disarmament and the Economy (New York: Harper and Row, 1963); Emile Benoit and Nils Petter Gleditsch, eds., Disarmament and World Economic Interdependence, Conference on Economic Aspects of World Disarmament. (New York: Columbia University Press, 1967); United Nations, Basic Problems of Disarmament, Reports of the Secretary General (New York: United Nations Publications, 1970; Kenneth E. Boulding, Peace and the War Industry (Chicago: Aldine, 1970).

[2]Kenneth Boulding, Conflict and Defense: A General Theory (New York: Harper, 1962); Roger Fisher, ed., International Conflict and Behavioral Science (New York: Basic Books, 1964); Elton B. McNeil, ed., The Nature of Human Conflict (Englewood Cliffs, N.J.: Prentice-Hall, 1965); Morton Freid, Marvin Harris and Robert Murphy, War: The Anthropology of Armed Conflict and Aggression (Garden City, N.Y.: Natural History Press, 1968); Herbert C. Kelman, ed., International Behavior (New York: Holt, Rinehart, and Winston, 1965); Theodore F. Lentz Towards a Science of Peace (New York: Bookman, 1961; first published in 1955); Anatol Rapoport, Strategy and Conscience (New York: Harper, 1964).

[3]International Study Seminar sponsored by the Women's International League for Peace and Freedom and supported by UNESCO.

[4]Saul H. Mendlovitz, ed., On the Creation of a Just World Order (New York: Free Press, 1975); Richard A. Falk, A Study of Future Worlds (New York: Free Press, 1975); Ali A. Mazuri, A World Federation of Cultures (New York: Free Press, 1975); Kothari, Rajni, Footsteps into the Future (New York: Free Press, 1974).

[5]Johan Galtung, "On the Future of the International System," in Mankind 2000, ed. by Robert Jungk and Johan Galtung (Oslo: Universitetsforaget, 1969), pp. 12-41.

[6]Herman Kahn and Anthony J. Wiener, The Year 2000: A Framework for Speculation on the Next Thirty-Three Years (New York: Macmillan, 1967); Herman Kahn and B. Bruce-Briggs, Things to Come (New York: Macmillan, 1972); Donella Meadows, et al., The Limits of Growth (New York: University Books, 1972); Jay W. Forrester, World Dynamics (Cambridge, Mass.: Wright Allen, 1971); Mihajio Mesarovic and Eduard Pestel, Mankind at the Turning Point, The Second Report to the Club of Rome (New York: E. P. Dutton, 1974); Foreign Policy Association, ed., Toward the Year 2018 (New York: Cowles Education Corporation, 1968); Nazli Choucri and Robert C. North, Nations in Conflict: National Growth and International Violence (San Francisco: W. H. Freeman, 1975); T. J. Gordon, "The Current Methods of Future Research," in The Futurists ed. by Alvin Toffler (New York: Random House, 1972), pp. 164-189.

[7]A reading of the Ecologist, an English journal representing these same movements in a far more resource-depleted society than the United States, reveals the same lack of attention to the specifics of a disarmed world.

[8]Fred Polak, The Image of the Future, trans. by Elise Boulding (San Francisco: Jossey-Bass, 1973).

[9]For a further discussion of this see Elise Boulding, "Futuristics and the Imaging Capacity of the West," in Human Futuristics ed. by Magoroh Maruyama and James A. Dator (Honolulu: Social Science Research Institute, University of Hawaii, 1971), pp. 29-53.

[10]Hazel Henderson, "The End of Economics," The Ecologist: Journal of the Post Industrial Age, VI (May 1976), 137-146.

[11]Spencer as quoted in Jay Macpherson, Four Stages of Man: The Classical Myths (Toronto: MacMillan, 1963), p. 8.

[12]Macpherson, Four Stages of Man, p. 123.

[13]Thomas Bullfinch, Bullfinch's Mythology (New York: Thomas Y. Crowell, 1947), p. 271.

[14]Peter Andreas Munch, Norse Mythology: Legends of Gods and Heroes, trans. by Sigurd Bernhard Hustvedt, revis. by Magnus Olsen. (New York: American-Scandinavian Foundation, 1926), p. 48.

[15]Micah 5.

[16]Revelations 22:1-2.

[17]Koran 76 in W. Montgomery Watt, What Is Islam? (New York: Praeger, 1968), pp. 11-12.

[18]Haakon Stang, Westernness and Islam, Trends in Western Civilization Program, No. 7 (Oslo: University of Oslo, 1975).

[19]UNESCO, Birthright of Man, a selection of texts prepared under the direction of Jeanne Hersch (New York: United Nations Publications, 1969), p. 175.

[20]Edith Wynner and Georgia Lloyd, Searchlight on Peace Plans: Choose Your Road to World Government (New York: E. P. Dutton, 1946), p. 38.

[21]UNESCO, Birthright of Man, p. 115.

[22]UNESCO, Birthright of Man, p. 27.

[23]The Tao Teh Ching, Lao-Tzu, quoted in Peter Mayer, ed., The Pacifist Conscience (New York: Holt, Rinehart and Winston, 1966) pp. 33-35.

[24]UNESCO, Birthright of Man, pp. 31-32.

[25]Kalinga Edict No. 1 and Piller Edict VII, in UNESCO, Birthright of Man, pp. 98. 403.

[26]Rock Edict XIII, in UNESCO, Birthright of Man, p. 465.

[27]Marcus Aurelius, in UNESCO, Birthright of Man, p. 554.

[28]Mayer, The Pacifist Conscience, p. 50.

[29]St. Augustine, City of God, trans. by Gerald G. Walsh, S. J., et al., ed. by Vernon J. Bourke (New York: Doubleday, Image Books, 1958), Book I, Chapter 21.

[30]UNESCO, Birthright of Man, p. 42.

[31]UNESCO, Birthright of Man, p. 247.

[32]Wynner and Lloyd, Searchlight on Peace Plans, pp. 388-389.

[33]The French monk Emeric Cruce proposed a permanent Council of Ambassadors with universal membership in 1623 (Wynner and Lloyd, Searchlight on Peace Plans, p. 32). Crotius in 1625 spelled out a concept of law by which states as well as individuals would be governed by appropriate contracts (UNESCO, Birthright of Man, p. 499).

[34]David Mitrany, A Working Peace System (Chicago: Quadrangle Books, 1966).

[35]A study of the most recent Yearbook of International Organizations (Brussels: Union of International Associations, 1974) will give an idea of the scope of activities and services undertaken by these networks.

[36] A very partial and incomplete listing of world separatist groups, collected as part of a long-term project to study separatist movements in all world regions, indicates 80 separatist organizations in 37 countries that have stayed nonviolent, and 56 separatist groups in 28 countries that now use terrorism (Elise Boulding, research in progress, 1976). Many of these groups span a number of national borders, and many have support networks around the world of non-ethnics who contribute financially to their work.

[37] Charles C. Moskos, Jr. Peace Soldiers: The Sociology of a United Nations Military Force (Chicago: University of Chicago Press, 1976).

FORWARD TO OUR ORIGINS: SOCIAL WORK SKILLS AND POLITICAL ACTION IN THE CURRENT CRISIS

BERTRAM A. WEINERT, MA. MSW; EXECUTIVE ASSISTANT TO THE PRESIDENT, BOROUGH OF THE BRONX

A Glimpse Back

The last decade of the 19th century and the years prior to World War I was an exciting and fruitful period in United States history. It was a time of unrest, but characterized by vigorous discontent, not cynicism or despair. There was an aggressive optimism that fostered confidence in social action, even to the belief that poverty could be abolished. The failure to achieve that goal remains our burden today, but to have begun the struggle then was a significant step. It was the developing profession of social work that initiated that battle against poverty.

From the 1890's to 1917 there was a rapid spread of reform and social legislation, and social workers were there. The names -- Addams, Devine, Kelley and Wald -- are but a few of those remembered. Tribute was paid by United States Senator Robert F. Wagner, Sr., who said that "one could not overestimate the central part played by social workers in bringing before their representatives in Congress and in State Legislatures the....insistent problems of modern life."[1]

Social workers, along with populists, socialists, city reformists and progressives, were struggling to establish programs and institute policies which would mitigate the negative effects of industrialization, urbanization and laissez-faire.[2] Social workers recognized the tie between social conditions and economic forces. They responded to the impact of the social sciences. They instituted surveys of social institutions. Legislation was seen as a means of attaining social welfare goals. Action organizations, on a national level, were established. In 1910, Jane Addams stated social work's goal to be "raising life to its highest value." At that moment in history, and again in the depression of the 1930's, through the leadership of Bertha Reynolds and her colleagues, the challenge was met. Where are we now?

Eduard Lindeman posed the question in 1946. "What part are we playing in determining the direction in which America is moving, with the clear presumption that we must be involved in both the movement and its direction?"[3] In 1951, the American Association of Social Workers offered an answer. The AASW Standards for the Professional Practice of Social Work stated that social work should be responsible for "modifying or reshaping social and economic institutions which are inimical to the attainment of democratic goals."[4]

The Current Crisis

The reshaping and recreating of those institutions, our professional charge of almost twenty-five years ago, remains as the task in our current crisis. The present plight of our economy, of our cities, of our social service system demands basic change. We need the skill, and the courage, to take on that responsibility.

We are in a desperate depression despite euphemisms to the contrary. Each day

we see how hard the economy hits the individuals, the families and the communities with whom we work. There is a chilling fear that the slump is to be long-term, and severely and permanently damaging. Nationally, there are indications that the so-called "recession" of 1975 looks and feels like the depression of the 1930's. In Detroit, a quarter of a million auto workers are unemployed. Busloads of people have left that city to look for work in southern towns.[5] In Boston, over one hundred demonstrators, angered over proposed cuts in the welfare budget, stormed the Massachusetts House Chambers.[6]

The financial solvency of New York City is threatened. Layoffs of municipal workers, cutbacks in funding of programs, rescindments of capital projects are all orders of the day. There is talk of default and of bankruptcy. There is a lack of confidence in the city, in the system, in ourselves.

Unemployment is at 9.2%. Even more disturbing is the record 1.2 million who are the "discouraged workers wanting jobs, but who have given up looking."[7] And a further measure of the depth of our trouble is the 33% jobless rate for Black teenagers. The Federal Administration insists it is concerned, but can do nothing without regenerating inflation. This is recklessness, not caution. Such a policy produces tension, resentment and trouble.

A bleak picture is on view in most communities throughout the country. One wonders how families manage without, or even with, unemployment payments. There are no statistics on how many families have been left without income from a job and without benefits either. Of the 8,567,000 unemployed in June, 6,181,000 were drawing some kind of compensation.[8] We know nothing about the remaining two million and more, except the assumption that they are mostly young people. Those who are on unemployment compensation average $69.00 per week, hardly adequate for decent living. An additional aspect of the problem is revealed by a recent Labor Department survey which showed that of unemployed married men, 59% had wives also unemployed or not in the labor force. The latter category refers to housewives, the largest group of unpaid workers in our society.

Anyone working with jobless people is aware of the difficulties and disruptions which permeate their lives. A recent bankruptcy in New York City's Bronx County caused two hundred employees to lose their jobs, many after 25 years with the firm. This group of Black and Hispanic workers, whose families numbered almost 1,000 people were forced into unemployment when efforts to save the business failed.

Aside from the casework skills and referral knowledge required to assist those families, it was necessary to have an understanding of the economic factors involved and essential to possess the political leverage needed to move elements of the business community and the city, state and federal governmental system. The Borough President's office provided guidance to the workers and their families, direction to those in the public and private sectors attempting to save the business and leadership in pressing for financial and political support.

The effort failed because the economic interests were not prepared to finance a workers' cooperative; an approach which had become the only feasible one for success. And so we contribute to the extension of poverty, rather than to the expansion of

opportunity. Nationally, as locally, we allow failure. The social venture we called "the war on poverty" was "too limited in means, too timid in ideas" to have any significant impact.[9] We remain too timid, too limited.

The intent, we were told, was to close the gap between rich and poor. Quite the opposite has occurred. Inequalities in earnings in the United States have widened since 1950.

In 1958, the bottom decile of the population had 14% of mean earnings; by 1971 its relative position declined to 8.6%. During the same period, the top decile improved its position from 197% of the mean to 263%.[10]

A further demonstration of this inequality is seen in the fact that 18.9% of the population hold 76.2% of the wealth. The wealthiest, the top one percent, own 26% of all private wealth. Thus, our present scene, one of depression and dismay, is also one of dramatic distance between economic classes -- the rich and the poor. For those at the bottom, those we label "clients," life is hard and unfair.

It is in the cities of our country where most of our people live; and our cities are in deep trouble. But the hard and unfair life is in the suburbs and rural areas as well. It is a condition of our society itself. Physical decay, an aging population, drug abuse, a rising crime rate, and increased unemployment know no geography. The problems are most intense and visible in our densely crowded, older and poorer central cities.

The nation's troubled cities cannot recover by themselves and the Administration in Washington seems to be willing to let them sink. As usual, the poor are chosen to pay, by cutting the services they need. Social service programs are denied or restricted due, the President states, to the inflationary impact of the funding. The economy's improved health will come about by reducing taxes paid by corporations and their shareholders, declares the Secretary of the Treasury. He proposed a plan to reduce corporate profit taxes by $7.5 billion a year, or more than 10%, over a six-year period, beginning in 1977. The humanitarian concern which gave rise to the approach is explained by the Secretary, who stated that "corporations are people."[11]

One segment of the nation's economy appears to remain viable. This summer the Congress agreed on a military procurement measure that authorized preliminary funding for production of a B-1 strategic bomber costing $84 million a plane and construction of a $1.2 billion nuclear-powered cruiser for the Navy. The cruiser project has since been dropped but the total amount appropriated for weapons was $25.8 billion for the current fiscal year. That is about one-quarter of the total defense budget.[12] With expenditures for armaments at such levels, our priorities are apparent. But a society's stability -- both economic and psychological -- cannot rest on its ability to produce weapons.

No single factor is sufficient to judge whether we are financially and mentally healthy, but one measure of a society's worth is the way in which it treats its older citizens. On that score we do poorly. The record reveals shameful deficiencies in income levels, housing, nutrition, health care, and perhaps most damning, a lack of

a dignified role in society.

Another measure is the quality of health care and, here again, we do not do well. "Whether poor or not, many Americans are badly served by the obsolete, overstrained health system which has grown up around them, helter-skelter, without accommodating,...to changing technology, expanding population, rising costs and rising expectations."[13]

The cost of medical care in the United States is rising more rapidly than the cost of living. A major cause of that increase is the reluctance of Blue Cross and Blue Shield to impose cost controls on doctors and hospitals. A recent study by the Associated Press indicates that billions of dollars could be saved annually if Blue Cross would implement one of its original objectives to keep costs down. Health car delivery, as well as its economics, is determined by the private sector which contro Blue Cross and Blue Shield. The eighty-two million people covered have nothing to say about the running of the 144 plans throughout the country. Each Blue plan is dominated by doctors and hospital officials, or by laymen chosen by medical societies.[14]

"Surely the care given to children is a measure of a good society. But good care for children cannot be given by a poverty ridden, disease ridden, crime ridden, despairing adult population. Nor can it be given by adults who find no meaning to life beyond the purchase of equity in a suburban house from which their children wil move away, leaving their lives, once narrowly devoted to their own children alone, empty and meaningless."[14a]

As our deficiencies and inequalities become more apparent, we reach what Daniel Bell calls "the end of American exceptionalism."[14b] We are not what we foolishly believed ourselves to be. Our dominance in world affairs is ending; there is no manifest destiny; there is no mission. We have not been immune to the corruption of power. We have not been the exception.

Our common value is hedonism - the thoughtless pursuit of what we think is pleasure, the idea of consumption and exhibition of our middle class culture - and that provides no common purpose or common faith, only bewilderment.

Social Work Skills and Political Action

Whatever human services we assess in an attempt to measure our commitment to improve individual and community well-being, we find a basic lack. It is evident that the vast majority of people served by the social service system will not be able to improve their conditions in life without a redistribution of wealth and powe in our society.

The poor need money, jobs and power on a large scale; all three require equally large shifts in the political, as well as the economic relationships between the poo and the rest of society. The only way to manage the current crisis of increasing -- and perhaps permanent -- unemployment and poverty is redistribution.

It is in this campaign for the redistribution of wealth and power that social

work has a significant role. This is the time to carry out the responsibility Lindeman identified. This is the time to act on the AASW charge to us. In this effort, there are new skills to be learned and old skills to be revitalized. Political action is the requirement and social workers must be ready and able. "No longer can social workers not be involved politically."[15]

Social workers must help to create a coalition of forces to carry on the fight they began at the turn of the century — the struggle to abolish poverty and to provide a living standard of the highest quality for all. To succeed in that struggle, we must identify our enemies as well as our allies. We must recognize the seriousness of Lorenzo Traylor's observation in reaction to HEW's businessman's approach to social welfare. "It is precisely the businessman's attitude and his lack of concern for the plight of others that has contributed to the conditions which make the welfare system so desperately needed."[16]

The newly elected President of NASW, Maryann Mahaffey, has stated what our role should be. "The problem in America," she declared in her 1975 address to the Delegate Assembly, "is that the overwhelming majority of people in policy making positions are oriented to the bureaucracy, to profit and to products. We, the social workers of this nation, are people oriented. That's why our input is crucial."[17]

Powerful forces hostile to a humanitarian philosophy are in our society. They fear democracy, freedom, equal rights and equal opportunity. It is a false idea that the good society results automatically from technology and so-called "free enterprise." The chief battle of our times is not with an external enemy; it is with ourselves and our institutions.

Social work must play an active, aggressive and militant role in the political arena. Politics is an indispensable activity in a democracy. To ignore political turmoil around social work issues is to do a disservice to the field.

Our political program derives from what we know people need. Beyond an improved system of social service, beyond greater accountability, we need basic change. "We need tax reform and redistribution of wealth, power and income, so that full employment, at socially useful jobs, can be provided in the public sector of the economy."[18]

The skills to achieve our political program are attainable. Social workers must be able to speak with knowledge and understanding of the social and economic issues of our time. We must be familiar with the structure of our social institutions, the nature of our social forces, the functioning of our economic system.

Social workers must possess full knowledge of our political arrangements. The organization of governmental activity, the role of political parties, the action of political movements must be studied and well known. We must have the ability to assess the scene quickly, formulate policy positions and fight for them on any level of government.

We must develop the talent to devise optional courses of action. We must learn to create "up front" and "fall back" positions. Of special importance is the need

to identify allies on an issue and be creative in developing alliances.

We must know how to organize and mobilize local groups. We must become skillful negotiators. We must be able to speak and to write with passion as well as with precision. We must be forceful and flexible, imaginative, inventive and innovative. We must maintain our sense of purpose and direction. We must, as has been said of Richard Titmuss, be "ideologically rooted but not doctrinaire."[19]

A commitment to planning should be part of our ideology. The crisis in our nation, characterized by unemployment and inflation, has created a new interest in economic planning. Legislation has been introduced in the Congress proposing various forms of planning.[20] "The time has come to develop a truly home-grown American form of national economic planning....a planning approach that will be American in character and democratic in nature."[21]

Social workers should take an active role in support of national economic planning and incorporate social planning into the program. Social planning provides an experimental approach to means. It allows for the abandonment of ineffective methods and their replacement by new or modified ones which may be treated in relation to changing social conditions. If a laissez-faire orientation continues, we will be faced with the burden of unchanging means in a world of constantly changing circumstances.

None of the fundamental problems of the aged, the chronically ill, the physically and mentally handicapped, as well as the unemployed and under-employed, will be met unless social work adds its strengths to the development of national and local planning of the highest order.[22] We can recognize the philosophic definition of planning given our experience as practitioners -- "The method of creating new wholes out of parts which have become so fractionalized as to have lost their functional relavancy."[23]

The basic principle of democratic planning is "an awakening in the whole people of a sense of common moral purposes. Not one goal, but a direction. Not one plan, once and for all, but the conscious selection by people of successive plans."[24]

It has been said that all improvements start with an act of dissent, an act of non-conformity. The story of human advance is the story of the unconventional which has become commonplace, of the untried which has become routine, of the non-conforming which has become customary.[25]

What is needed is adventure in ideas--a creative rebellion against tradition and the status quo, when these are obstacles to human welfare.

Social work is not rising to the challenge of the times. It is too routine and unimaginative. Something good which characterized early social work pioneers has been lost. We must regain that early heritage and adapt their fighting spirit to our time

Our time is a time of crisis. It is not merely a fiscal crisis; it is another dysfunctional phase of our economic system. What has been and is now crisis becomes a condition, under which our social service structure suffers in a special way. Those

who utilize those services are those who are most hurt. The financing of public services through investment by profit-making interests eventually benefits not the poor, but the rich.

What we require is a change in our economic system from profit purpose to people purpose. Let us advocate such a change to a socialism in the great tradition of Eugene Victor Debs.

> "We tend to forget that preparation of life in a democracy involves more than a narrow concept of adjustment. It necessitates knowledge of political, economic and social institutions, attitudes toward them, skill in utilizing them, and skill in changing them if they prove to be inadequate....In a rapidly changing world we must be courageous in interpreting the changing scene and equally courageous and radical in testing our new methods and new hypotheses which reflect the stream of changes."[26]

FOOTNOTES

1. Quoted in Arthur Schlesinger, Jr., The Crisis of the Old Order, 1918-1933 (Boston: Houghton Mifflin, 1957).

2. Eric Goldman, Rendevouz With Destiny (N.Y., Vintage, 1956).

3. Eduard Lindeman, "In What Direction is America Moving?" Social Action, Vol. 12, June 15, 1946, p.4.

4. AASW, Standards for the Professional Practice of Social Work, 1951, p.3.

5. New York Times, July 27, 1975.

6. Ibid., August 15, 1975.

7. Ibid., July 5, 1975.

8. Ibid., August 3, 1975.

9. Ibid., October 19, 1964.

10. S. M. Miller and Martin Rein, "Can Income Distribution Work?" Social Policy, May/June, 1975, p.6.

11. New York Times, August 1, 1975.

12. Ibid., July 26, 1975.

13. Fortune Magazine, August, 1970.

14. New York Times, August 4, 5, 7, 8, 1975; "Blue Cross - Red Ink?" Barrons, March 3, 1975.

14a. Margaret Mead "The Heritage of Children in the United States", Journal of Current Social Issues, Summer, 1975 p.7.

14b. The Public Interest, October 1975.

15. Maryann Mahaffey, President, NASW, in her address to the 1975 Delegate Assembl

16. NASW News, October, 1974.

17. Ibid., July, 1975.

18. Harold J. Wershow, "A World Worth Living In." Social Work, May, 1975, p.177.

19. Alvin Schorr, "Who Promised Us a Rose Garden?" Social Work, May, 1975, p.200.

20. The Hawkins-Humphrey Full Employment Bill and the Humphrey Balanced National Growth and Development Bill.

21. Robert V. Roosa, speaking for the Initiative Committee for National Economic Planning. Quoted in Social Policy, March/April, 1975. p.2.

22. Leonard W. Mayo, "The Changing Role of Voluntary Agencies." Journal of Social Work, July, 1975, p.103.

23. Eduard Lindeman, "Planning: An Orderly Method of Social Change." Annals of the American Academy of Political Science, July, 1932.

24. David E. Lilienthal, TVA: Democracy on the March (N.Y., Pocket Books, 1944), p.212.

25. Henry S. Commager, "The Tests of a Free Society." Adult Leadership, February, 1955.

26. Nathan Cohen, "Implication of the Present Scene for Social Work Practice." Proceedings, National Conference of Social Work, June, 1955 (N.Y., Columbia University Press, 1955), p.56.

INFLUENCING WELFARE/WARFARE PRIORITIES THROUGH THE NEW BUDGETARY PROCESS

Ann Blalock

In the previous article, Weinert challenged social workers, and other professionals in the area of social welfare, to commit themselves to greater collective political action in the interest of substantial social change. He suggested that there are many options for movement in that direction. This article briefly discusses one incremental option within the established political system, intervention within the new Congressional budgetary process. This is not an insignificant strategy. Its purpose is to influence the way the national budget is constructed. The budget incorporates to an important degree the society's prevailing definition of its priorities. Furthermore, future policy alternatives are vitally affected by budget decisions, as mandated budget authority strongly restricts future social policy alternatives.

Therefore, an understanding of the meaning of the new Congressional Budget Act and some of the problems in its implementation is critical to developing an effective strategy for impacting that process. The Act offers a significant opportunity to individual citizens and organized groups to change the direction of national priorities, among them welfare and warfare. It provides a relatively fixed time schedule around which collective action can be organized, and it identifies the individuals and committees necessary to approach. A strategy built around this process is appropriate to the social work profession. Many social welfare professionals are excellently qualified to perform the policy analysis tasks and to construct the crucial political coalitions which support this kind of intervention. Social workers' knowledge of domestic needs, and of the strengths and weaknesses of existing social service delivery systems, place them in a privileged position to utilize the innovations provided in the new Act. Moreover, the implications of their mobilizing around the budgetary cycle can extend well beyond the territory of the federal budget itself.

Background of the New Budgetary Process

The federal government is the most significant financier for the military and welfare sectors of the society. It is estimated that in fiscal '78 federal defense allocations will be approximately 130-150 billion, and social welfare expenditures approximately 190-240 billion.[1] Responsibility for the research, planning, and management of such enormous federal outlays is constitutionally shared among the executive, legislative, and judicial branches of government. The Constitution proposes a set of initiatives and constraints within this responsibility, to be translated into national administrative law. However, the actual relationship among these branches has been uneven, and the budgetary process less than open.

The search for more effective budgetary methods in Congress was stimulated in contemporary history by controversy over national priorities, including warfare/welfare, and by the impoundment of funds. It was an undeniable legacy of Watergate However, there has been a perennial consciousness that Congressional budget reform was critically needed. Much has changed in the two centuries of American governmental existence, but the formal division of responsibilities has remained intact. Money expenditure was to be a two-stage process: first the Congress would appropriate funds, and only afterwards would the executive spend them. Not only was Congress to decide how much would be spent, but more importantly for what purposes.

The demands of this essential role of Congress were admittedly not being met by past policies or methods. As long as the federal budget was small, it was rational for Congress to control expenditures by means of line item appropriations, and restrictions on the shifting of funds among categories. But the tremendous growth of the federal budget has required a broadening of the units of appropriations and more transfer flexibility.[3] As the federal budget increased in size and importance, a growing inequity in influence evolved between the executive and the legislative branch.

The formulation of the President's budget recommendations employed the analytic expertise of a large and powerful budget staff with vast informational sources, a resource particularly exploited during the Watergate period to enhance executive authority.[4] The effect was disadvantaged Congressional competition with the executive. Over-burdened staffs of individual committees were forced to rely primarily on executive agencies for information. Whereas the President had an eighteen month period to develop a budget, Congress was required to compress crucial budget decisions into a few months, and often became dependent on continuing resolutions as a means of funding federal agencies and programs. As program and financial policy-making became more concentrated in the executive, the budgetary process grew more fragmented in the Congress. The inevitable consequence was a serious imbalance of power. This became translated into welfare/warfare terms because Presidential budgets tended to emphasize a heavy commitment to the military which Congress was unwilling or unable to challenge.

Therefore, a severe erosion occurred in Congressional capability for assessing program priorities effectively, and in establishing overall budget policy. Congress was clearly not able to decide among competing claims on the budget in a comprehensive manner. The basic assumption in the growing movement for budget reform was that the federal budget had in actuality become the primary tool for determining governmental goals, and was progressively passing beyond Congressional control Not simply its growth, but more so the directions it would take, were at stake. The augmentation in the portion of the budget which was relatively "uncontrollable under existing law, magnified the significance of the issue.[5] It was becoming increasingly more difficult to deal with carryover balances where appropriations, outlays, and budget authority failed to mesh.[6]

The search for improved budgetary methods ultimately settled within the Joint Study Committee on Budget Control. Out of months of deliberation over alternatives, the Congressional Budget and Impoundment Control Act of 1974 surfaced into law. The Act radically modified the Congressional budget process, and provided controls over the presidential impoundment of funds. It established new Budget Committees in the House and Senate, responsible for setting federal budget priorities, and created a new Congressional Budget Office. The primary intent of the legislation was to re-establish Congressional power over the federal budget. The outcome has been to provide new citizen access to the policy analysis and decision-making process, and to introduce greater transfer possibilities into revenue allocations.

The Content of the New Process

The new budget process requires an unprecedented effort simply in meeting the series of negotiation deadlines in the mandated timetable for decision-making, beginning October first and ending the following September 30th, a timetable which essentially constitutes a stringent set of policy guidelines. The public visibility of this timetable allows for its strategic use. The process requires the following steps: 1) prior to the regular Presidential budget presentation, the President must provide a budget which projects expected outlays in the upcoming fiscal year, assuming all programs are to be carried on at the same levels without policy changes; 2) the first concurrent resolution of the Congress then makes explicit the specific levels of budget outlays and new budget authority, both in total and for each of sixteen major functional expenditure categories. This involves the amount of any deficit or surplus, the recommended levels of federal revenues, and the public debt ceilings. When finally negotiated and passed, this resolution sets the overall budgetary parameters for the Budget Committees; 3) the Committees are then to work toward completing action on bills that provide new budget authority and spending authority; and 4) the second concurrent resolution reaffirms or revises the first concurrent resolution, and any differences between the House and Senate must be reconciled by the end of September.[7] Thus the new Act has presented challenges to historic positions, and compelled the Congress to make distinctive policy decisions.

The most profound role defined for the new Congressional Budget Office in the Act was the development of an annual report that not merely identified alternative levels of spending, revenues, and tax expenditures, but discussed national budget priorities, including "alternative ways of allocating budget authority and budget outlays for the fiscal year among major programs or functional categories, taking into account how such alternative allocations will meet major national needs and affect balanced growth and development in the U.S."[8] As with the Brookings analyses, the report was to speak to objectives, priorities, and alternative choices, but not to specify preferred alternatives among the feasible options.[9]

Successful implementation of this commitment of the Congress to accrue greater power over the federal budget was considered related to the pragmatic requirement that Congress install what Walter Williams has termed a "new institutional process"

that would significantly alter the previous balance of power in governmental decision-making, and assemble the high level staff needed to make expert information and analyses an integral part of this process.[10] The new CBO was viewed by political policy analysts as an essential tool in making this substantial shift in Congressional life style, in particular its anticipated role in information analysis in the service of setting national budgetary priorities.[11] Crucial to its success, they predicted, was a staff comparable to that of the executive branch in size and substantive diversity, in professional competence and wisdom, in political and bureaucratic management skills, in information synthesizing and processing technology, and in collective influence. It also had to exhibit the capability of providing at optimum times the products of its efforts to the House and Senate Budget Committees. The premise was that the executive branch's enjoyment of superiority in the effective use of policy analysis had been the major variable in the power inequity.

Developing such a staff proved a challenging task. But there have been an array of other problems in implementing the Act's intended purposes, not least among them the level of utilization of the fruits of such policy analysis by individual Congressmen, the extent of their commitment to the long-range view which lies at the core of competent policy analysis, and the depth of their perception of the need for analysis of non-incremental alternatives.[12] The latter is a measure of the will of Congress to participate intelligently in what Lindblom has called "the partisan mutual adjustment process" in a democracy.[13] In the case of federal budget decisions, this adjustment process required changing complex relationships in Congress' external organizational environment that in turn involved intricate internal changes. Inasmuch as such basic changes contained costs to particular Congresspersons, the pattern of history has been one of resistance to such change.[14] The primary struggle with the executive branch has therefore been complicated by the inevitable struggle within the Congress. The lack of clearly specified decision-making roles for the new organizational structures within the Congress, goal conflict and territoriality problems between "old" and "new" structures, a lack of coordination and cooperation in the relationships between pre-existing and new staffs, and differences in the methodology used for performing essential policy analysis tasks, were formidable problems anticipated to plague full implementation of the Act.[15]

The Trial Run

The nine-month "trial run" of the new budget process was completed with the passage of a concurrent resolution in December, 1975, which established spending limits for the remainder of fiscal 1976. This provided an opportunity to more clearly evaluate whether Congress could actually agree on budget spending limits, deficits, whether the Budget Committees could become part of the power hierarchy and more importantly whether the process was capable of yielding a reasoned consideration of priorities rather than simply limited debate over budget figures. Assessment of the trial run revealed both the great potential of the Act and some of the anticipated conflicts between the demands of the new legislation and the

pre-existing authority structure of the Congress, "its privileges, style of operation, and staffing patterns."[16] It therefore identified likely impediments to the effectiveness of public strategies for influencing the budget process.

Deep differences surfaced between House and Senate perceptions of the new budgetary process--in terms of its intent (budget control versus setting budget priorities), and the qualifications of the CBO staff (Congressional trustworthiness versus analytic credentials). There were differences in leadership strength, and the nature of the internal conflicts within the new committees.[17] Though it tested whether the new process would produce Congressional budget control, the trial run did not really test whether the more basic purpose of the Act, general Congressional budget reform had been realized. Nevertheless, the trial run was generally considered to indicate an important positive flexibility, a capacity for learning and modification--largely through the actions of the Budget Committees.

The CBO, as a non-partisan analytic unit serving the entire Congress, was viewed more critically. Though the staff was considered excellently qualified, it performed no major policy analyses during the trial run, and its economic forecasting, which emphasized economic stimuli to combat recession rather than economic restraint to control inflation, had diverse results. This was not unrelated to Congressional concerns over the staff's potential power. The general consensus, however, was that its leadership was being looked to as a major influence on future governmental economic policy. Furthermore, the CBO had developed an analytic staff comparable in expertise (and nearly in size) to those in the executive branch. Williams credited it with establishing "the base to do competent economic forecasting, sophisticated budget analysis and policy analysis," which he feels are the key parts of the process of developing more responsible government. The net assessment was slightly more than a moderated optimism about the outcomes of the first full budget cycle beginning October, 1975, with all the deadlines of the timetable in force.

The First Implementation of the Full Cycle

On schedule, the House-Senate Conference Committee approved on September 10, 1976, a federal budget ceiling of approximately 413 billion for the fiscal year beginning October first, settling on a deficit of 50.6 billion. The ceiling in this Second Concurrent Resolution reflected only minimal differences between the House and Senate versions. The budget compromise raised 362.5 billion in revenues and provided 451.5 billion in new budget authority, some of which would be spent in future years. Both Congressional versions involved essentially all the money President Ford requested for defense, but provided for more than he requested for jobs and other domestic programs, and rejected 10 billion in newly-proposed tax cuts. Negotiation had successfully produced a concrete collective decision within the timetable.

On the surface, such similar Budget Committee conclusions lacked the transparency that would reveal the truer machinations of the new budget process which

committed the Congress for the first time to a study of the aggregate effect of all new legislation having an impact on spending. The House Budget Committee's chairman, Brock Adams, claimed that the final Congressional budget differed sharply from the approach favored by the White House, emphasizing programs to fight unemployment and rejecting some of the President's initiatives in the area of taxes and domestic programs. Not all analysts agreed with his assessment. The balance of power had clearly been redressed to some extent. More critical, however, in terms of the effectiveness of the first full cycle in implementing the main intent of the Act, was to critique the extent to which the Congress had taken responsibility for setting national priorities.

Some analysts felt that the Pentagon lobby, and the political makeup of the Senate and House Budget Committees, interfered with this primary responsibility, giving the balance of power to conservative Republicans and southern Democrats. Congressional leadership was also faulted for sacrificing policy to process. Senator Mansfield, for example, was quoted as saying "I do not intend to vote for any amendment no matter how meritorious...I intend to support fully what the Budget Committee has recommended because if we do not, then I think we might as well abolish it, and go back to our old ways."[18]

The Transfer Amendment

On April 29, 1976, prior to the development of the First Concurrent Resolution, Representative Holtzman, Conyers, and Ottinger jointly proposed a transfer amendment to the House Budget Committee's first resolution, a resolution which had contained the largest increase for military expenditures in peacetime history--an 11 billion increase in budget authority and 8.7 billion in outlays. The critical importance of this amendment is that it asked for a substantial shift of budget authority and outlays from one functional category to others: from defense to domestic programs. Such an amendment was made possible, and even desirable, within the context of the new process. It demanded that the House Budget Committee go beyond a concern for simple budget control, to a change in the rank order of national preferences. It took the unequivocal position that the Committee had not discharged its mandated obligation to provide rational alternatives to the President's definition of priorities, a definition Holtzman felt was tragically narrow and unresponsive to human needs. The Holtzman amendment, and its destiny in the Budget Committee, is illustrative both of the strength of the new Act and of the resistances to its full implementation.

However, in proposing a transfer amendment, Representative Holtzman was actually implementing the intent, and maximizing the flexibility, in the new budget process: she was insisting on an official re-allocation of national revenues.[19] Even though the amendment was rejected, its impact was catalytic. It served as a general legislative model for future transfer amendments, both within the Congress and among the organized public. It suggested that a very

sophisticated understanding of the welfare/warfare tradeoff was essential, as well as a careful preparation of the case for change in commitments among budget categories. It revealed the necessity of forming political coalitions in support of this change. And it identified the time period in the new budgetary process which was most significant to affect.

Several organizations and coalitions have since drafted their own transfer amendments around the social service/defense issue, which they hope to use as one intervention in the federal decision-making process. The Coalition for a New Foreign and Military Policy has recently drafted a transfer amendment to the First Budget Resolution suggesting specific cutbacks in budget authority for defense, and a transfer of the majority of this amount to domestic programs related to economic recovery. The Friends Committee on National Legislation has also directed energy toward using a transfer amendment as a strategy for altering national welfare/warfare priorities.

It is time for social welfare professionals to take appropriate parallel action. Sixteen functional policy areas within the budget are delineated within the new Act, and political intervention with respect to the categories most related to the interests of particular groups can be productively mounted. The NASW has recently developed a set of specific policy positions on a large number of national priority issues. This represents an important tool in organizing a concerted effort to affect the political process through the budget cycle. Professionals working in the social welfare field would fail to make maximum use of this opportunity to impact the political system if they neglected to communicate expert opinion to relevant Congresspersons at the most critical junctures in the budgetary timetable. To plan a rational political strategy around the timetable in fact suggests a new approach in the profession's efforts to have a genuine influence on social policy.

Conclusion

The federal budget in many ways mirrors our predominant value system as a society. There is serious question as to whether that set of values has tended toward an enlightened form of humanism or has placed a disproportionate political value on destructive capacity. A somewhat novel opportunity has been provided by the Act for collectively and individually communicating reasoned, well documented policy positions to key decision-makers at vulnerable and receptive times in the political process. These are periods in which the profession and individual citizens can feel they are making some measurable impact on American social policy.

Below is the Congressional budgetary timetable for your consideration and use as a strategy for social change. Within this framework, the most important contacts will be the new House and Senate Budget Committee chairmen and committee members, and perhaps most significantly the new Congressional Budget Office staff.

STAGE I: CONGRESS SETS BUDGET TARGETS

November 10: President Submits Current Services Budget.

Submission of the Current Services Budget represents the initial step in the new eleven-month budget timetable. The budget projects the cost of maintaining current Federal programs at existing levels through the next fiscal year, adjusting spending to take account of economic projections. In this way, it provides Congress with an early look at anticipated shifts in Federal program costs resulting from such factors as inflation, pay raises and changes in beneficiary levels.

15th Day After Congress Convenes: President Submits His Budget.

The President must now include in his annual budget complete spending and revenue projections for the next five years. He must also set forth the anticipated levels of tax expenditures for this period.

March 15: Appropriations, Legislative, and Joint Committees Submit Spending and Revenue Estimates to the Budget Committees

Each standing committee of the House and Senate, the Joint Economic Committee, and the Joint Committees on Atomic Energy and Internal Revenue Taxation, must submit by this date its views and estimates of the aggregate spending and revenue levels in the Congressional budget for matters within its jurisdiction. Reports of each standing committee must also contain its estimates as to the spending levels either authorized or provided in legislation it intends to become effective during the next fiscal year.

April 1: Congressional Budget Office Submits Annual Report to Budget Committee

The Congressional Budget Office was established to provide the Budget Committees, and Congress, with a non-partisan source of budgetary and fiscal analysis.

Each year the CBO director is required to submit to the Budget Committees a comprehensive report on the next fiscal year's budget. The report must include an analysis of fiscal policy, a discussion of national budget priorities, and alternative ways of allocating budget authority and budget outlays.

In addition to its annual report due April 1, the CBO is required to provide the Budget Committees on a regular basis with information, data and analysis on budget-related matters.

April 15: Budget Committees Report First Concurrent Resolution

The House and Senate Budget Committees must each report by this date a First Concurrent Resolution on the next fiscal year's budget. The Resolution sets forth appropriate levels of total new budget authority, total outlays, total revenues, Federal deficit or surplus and public debt.

The Resolution also sets appropriate levels of new budget authority and outlays for each of the budget's functional categories: national defense, agriculture, income security, etc. (Budget authority is authority provided by law to enter into obligations which generally result in immediate or future outlays of governmental funds. Outlays are the actual Federal payments which result from budget authority.)

The Committee reports accompanying the First Concurrent Resolutions must include a tax expenditures budget which enumerates such expenditures by functional category.

May 15: Final Day for Reporting of Legislation Authorizing New Budget Authority

It is not in order for either House to take floor action on measure authorizing the enactment of new budget authority for the coming fiscal year unless that measure has been reported in that House by May 15. This rule applies to both new program legislation and legislation re-authorizing existing programs.

May 15: Congress Completes Action on First Concurrent Resolution

The May 15 deadline applies to final adoption of any House-Senate conference report on the First Concurrent Resolution.

The joint explanatory statement ("statement of managers") accompanying a conference report on a Concurrent Resolution on the Federal Budget must include an estimated distribution of the appropriate new budget authority and outlays on the basis of committee jurisdiction (this allocation by committee jurisdiction is termed "crosswalking").

The Appropriations Committee in each House is required to further allocate the new budget authority and outlay totals among its subcommittees' jurisdictions. Other committees having jurisdiction over measures providing new budget authority must also make allocations by subcommittee or by program. These allocations must be reported promptly to each house.

Subsequent Concurrent Resolutions on the Budget

At any time after the First Concurrent Resolution has been agreed to, the two Houses may revise the Resolution by adoption of a subsequent concurrent resolution on the budget.

STAGE II: CONGRESS CONSIDERS INDIVIDUAL BUDGET MEASURES

May 15: Congress Begins Floor Action on Spending and Revenue Measures

It is not in order for either House to consider any measure providing new budget authority for a fiscal year, new spending authority to become effective during a fiscal year, a change in the level of revenues of public debt limit to become effective in a fiscal year until the First Concurrent Resolution for that fiscal year has been adopted.

This rule does not apply to measures providing new budget authority which first becomes available, or a change in revenues which first becomes effective, in a fiscal year following the fiscal year to which the Concurrent Resolution applies.

Spending authority, as defined in the Act, represents any of three kinds of "backdoor spending"--legislation previously enacted outside the normal appropriations process. These are contract, borrowing, and entitlement authority.

Contract authority is the authority to enter into contracts or other obligations prior to an appropriation. Such legislation does not provide funds to actually pay such obligations; it has required a subsequent appropriation to liquidate them.

Borrowing authority is statutory authority that permits a Federal agency to incur obligations and to make payments for specified purposes out of borrowed funds.

The Budget Act "closes the backdoor" as far as both contract and borrowing authority are concerned. (The Act places more limited restrictions on the granting of entitlement authority.) It requires that any measure providing new spending authority of these types contain a provision limiting such authority to the amounts provided in advance by appropriations acts.

Entitlement authority is legislation that requires the payment--the budget authority for which is not provided for in advance by appropriation acts, of benefits to any person or government meeting the requirements established by such law.

The Act places two restrictions on this form of backdoor spending:

--that all new entitlement authority not become effective before October 1 of the calendar year in which the measure is reported by committee;

--that any such measure requiring new budget authority in excess of the subcommittee and committee allocations associated with the most recent Concurrent Resolution must be referred to the appropriations committee of that House. The appropriations committee is then required to report such a measure within 15 days or be discharged from further consideration of it. (The appropriations committee has jurisdiction to report amendments to such measures limiting the total amount of spending authority it provides.)

*Exceptions: The above restrictions on new spending authority do not apply to Social Security Act trust funds; trust funds where 90% or more of the receipts represent earmarked taxes (received under specific provisions of the Internal Revenue Code of 1954); amendments or extensions of the State and Local Fiscal Assistance Act of 1972 (General Revenue Sharing); mixed-ownership or wholly-owned government corporations, or where the spending consists exclusively of proceeds from gifts to the U.S. for a specific purpose.

7th Day After Labor Day: Congress Completes Action on Spending Measures

STAGE III: CONGRESS ESTABLISHES BUDGET LIMITS

The Second Concurrent Resolution required by the Act must either revise or reaffirm the budgetary targets set in May.

September 15: Congress Completes Action on Second Concurrent Resolution

Reconciliation Process:

To the extent necessary, the Second Concurrent Resolution may also specify the extent to which budget authority, spending authority, revenues, or public debt limitations within the jurisdiction of particular committees should be changed. In these cases, the Resolution will direct such committees to determine and report out measures needed to accomplish such adjustments.

September 25: Congress Completes Action on Any Reconciliation Measures

Should the Second Concurrent Resolution contain a "reconciliation" provision as described above, the committee or committees receiving such directions must report recommendations promptly. If only one committee receives a reconciliation direction, it reports such a measure directly to the floor. Should more than one committee be directed to make such recommendations, these are reported to the Budget Committee of this appropriate House, and the Budget Committee must then report these recommendations to its House without any substantive revision.

Neither House may adjourn until action on the Second Concurrent Resolution, together with any reconciliation measures, has been completed.

Legislation Subject to Point of Order:

Once Congress has completed action on the Second Concurrent Resolution and any necessary reconciliation measure, it is not in order for either House to take floor action on any measure providing new budget or spending authority, or reducing revenues, should the enactment of such measure cause the total new budget authority or total outlay level set forth in the Second Concurrent Resolution to be exceeded or its revenue total to be undercut. In enforcing this procedure, budget aggregates and the projected costs of legislation shall be determined on the basis of estimates by the Budget Committee of the appropriate House.

October 1: New Fiscal Year Begins

(The source of the entire text of the budget timetable is a recent memo from the Senate Committee.)

FOOTNOTES

1. The Budget of the U.S. Government: Fiscal Year 1976, (Washington, D.C.: U.S. Government Printing Office, 1976).
2. See Public Law 93-334, 93rd Congress, July 12, 1974, Legislative History section.
3. Annual increases in federal expenditures have been 15-20 billion, more than was spent in the first century of American government.
4. The 1921 Budget and Accounting Act vested the President with the responsibility to prepare and transmit to Congress an annual budget, in the nature of a recommendation. It equipped the President with a Budget Bureau and established the General Accounting Office.
5. The official estimate is that 75% of the budget is relatively uncontrollable, and uncontrollables are the fastest rising part of the budget, claiming each year a larger share of new funds. See PL 93-344, op. cit.
6. By outlays is meant how much money will be obligated in a particular year--not how much will be spent then. By authority is meant authorization to agencies to spend in future years.
7. P.L. 933-344, op. cit.
8. Ibid.
9. The Brookings Institution annually publishes books analyzing the federal budget.
10. See Walter Williams, The Congressional Budget Office: A Critical Link in Budget Reform. Public Policy Paper No. 6, Institute of Governmental Research, (University of Washington, July 1974).
11. Ibid.
12. See Charles Schultze, The Politics and Economics of Public Spending. (The Brookings Institution, 1968). He points out that a significant number of policy decisions in recent years have indeed been non-incremental--i.e. have departed sharply from past practice, or have required large increases or decreases in the allocation of resources to a particular area. These kinds of policy alternatives, Schultze contends, are most in need of explicit expert study.
13. See Charles Lindblom, The Intelligence of Democracy, (The Free Press, 1965).
14. Williams, op. cit.
15. However, Williams points out that observations of the policy analysis process in government since 1965 indicate that attempts toward greater rationality, though occurring in agonizingly slow steps, have had a substantial, positive impact on decision-making.
16. See Walter Williams, Congress, Budgetmaking, and Policy Analysis: A Critique After the Fiscal Year 1976 Budget Trial Run, Public Policy Paper No. 9, Institute of Governmental Research, (University of Washington, February, 1976).
17. Ibid.
18. See the Holtzman context and testimony in this journal.

WHICH SIDE ARE YOU ON?

The sabres rattle
(on one side of the Hill)
as military Finery
hones
to their Glory
of Destruction,
of wantoness,
and waste,
of human needs,
and cities,
and homes.

The Other side
Speakers clearly
of Construction!
To heal,
to unify the lands,
to plant
seeds of love
upon which
our wasted youth
to grow,
to sow care,
which
beings could reap
and re-sow,
again,
for their labor.

But it's People!
Multitudes!
Everywhere!
(no matter their station)
who identify
with others,
as one human race.
It's People!
who move mountains.
People!
cross the seas.
And only
People!
You and I!
who
can Make the Peace!

- Olga J. Northwood

WHO'S WHO - LIST OF CONTRIBUTORS

Paul Adams, Assistant Professor of Social Work, the University of Texas at Austin.

Marion Anderson, Projects Director, Public Interest Research Group in Michigan, Lansing.

George W. Ayers, Assistant Professor of Social Work, University of Texas at Arlington.

Zoe Best, Poet, Portland, Oregon.

Bruce A. Birchard, Peace Conversion Program Organizer, Friends Peace Committee of the Philadelphia Yearly Meeting of Friends.

Ann B. Blalock, Graduate Student, Research Assistant, School of Social Work, University of Washington, Seattle.

Elise Boulding, Professor of Sociology and Project Director, Institute for Behavioral Science, University of Colorado at Boulder.

Marleen Clark, Doctoral Student, University of California at Berkeley and Research Assistant, Bay Area Welfare-University Consortium at University of California at Berkeley.

James L. Clayton, Professor of History, University of Utah, Salt Lake City.

Orabelle Connally, Instructor of Sociology, Everett Community College, Everett, Washington.

Lloyd J. Dumas, Associate Professor of Industrial and Management Engineering, Columbia University, New York City.

Christopher Rhoades Dykema, Caseworker, New York City Bureau of Child Welfare and M.S.W. Student, Hunter College School of Social Work (on leave).

Walter Friedlander, Professor Emeritus of Social Welfare, University of California, Berkeley.

David G. Gil, Professor of Social Policy, Brandeis University, Waltham, Massachusetts.

Joseph A. Harris, Research Director, Labor Research Association, New York City.

Kenneth A. Kirkpatrick, Free Lance Writer and Lecturer, Seattle, Washington.

Clarence Y. H. Lo, Director of Political Studies, Third Century America Project, Institute of International Studies, University of California, Berkeley.

Charles Maynard, Graduate Student, Research Assistant, School of Social Work, University of Washington, Seattle.

Leonard S. Miller, Associate Professor of Social Welfare, University of California, Berkeley.

Lawrence K. Northwood, Professor, School of Social Work, University of Washington, Seattle.

Olga J. Northwood, Poet, Seattle, Washington.

Kathleen Peroff, Assistant Professor, Department of Government and Politics, University of Maryland, College Park, Maryland.

Quentin F. Schenk, Professor of Social Welfare, University of Wisconsin-Milwaukee.

Mulford Q. Sibley, Professor of Political Science and American Studies, University of Minnesota, Minneapolis.

Ruth Leger Sivard, Social Policy Analyst, Leesburg, Virginia.

Peggy Taylor, Artist, Seattle, Washington.

Bertram A. Weinert, Executive Assistant, Bronx Borough President's Office, New York City.

Call for Papers

The Journal of Sociology and Social Welfare will publish a special issue on symbolic interaction and social welfare. Papers should reflect the application of a symbolic interaction perspective to issues of importance in social welfare. Especially desired is work which highlights the distinctive aspects of symbolic interaction in application including papers which emphasize the meaning of using the person as a unit of analysis, methodological and substantive papers on the life histories of "social persons", and those which explicate the emphasis on change, freedom, and democracy contained in the philosophy on which symbolic interaction theory rests. Papers should be sent to both editors of the special issue with a covering letter indicating that they represent a submission for the special issue on Symbolic Interaction and Social Welfare.

Ralph Segalman, Department of Sociology, California State University, Northridge, California 91330
Harris Chaiklin, School of Social Work, University of Haifa, Mount Carmel, Haifa, Israel (use overseas air mail)

CALL FOR PAPERS

The Journal of Sociology and Social Welfare is calling for unpublished papers. 5,000-8,000 words in length, for a Special Issue on "Social Gerontology and Social Welfare." The Editor of the issue is Margaret Hartford, Leonard Davis School of Gerontology, University of Southern California. Associate Editor is Jordan I. Kosberg, School of Applied Social Sciences, Case Western Reserve University. The Special Issue is scheduled for publication in early 1978.

Articles are solicited about the social welfare ramifications from empirical and analytical explorations of the problems and characteristics of the aged, as well as on policy and program issues related to the care and treatment of the aged.

Two copies of each manuscript, or inquiries, should be directed to Margaret Hartford, Leonard Davis School of Gerontology, University of Southern California, University Park, Los Angeles, CA 90007.

Manuscripts for the Journal should be submitted to:

Norman N. Goroff, Editor
Journal of Sociology and Social Welfare
University of Connecticut
School of Social Work
1800 Asylum Avenue
West Hartford, Connecticut 06117

Please submit three copies of the manuscript.
The Journal welcomes a broad range of articles concerned with empirical research on social welfare, analysis of problems in social welfare, "think pieces" and others.

SUBSCRIPTIONS SUBSCRIPTIONS SUBSCRIPTIONS

Subscriptions to the Journal may be obtained by writing to:

Journal of Sociology and Social Welfare
University of Connecticut
School of Social Work
1800 Asylum Avenue
West Hartford, Connecticut 06117

Individual subscriptions are	$7.00 per volume (Vol. 1-3) $9.35 Vol. 4
Institution or Library	$10.00 per volume (Vol. 1-3) $13.35 Vol. 4
Student	$ 8.00 per 2 volumes (Vol. 1-3) $ 6.90 Vol. 4

Individual copies of the Journal may be purchased at $2.50 per copy (includes postage and handling).

Please include check with order.

Journal of Sociology and Social Welfare
UNIVERSITY OF CONNECTICUT
SCHOOL OF SOCIAL WORK
1800 ASYLUM AVENUE
WEST HARTFORD, CONNECTICUT 06117

NON PROFIT ORG.
U.S. POSTAGE
PAID
HARTFORD, CT
PERMIT #5050