

only a watered-down version of the plan.

Minns sees “no need to be dogmatic” about how to give workers more say over their equity capital. But he favors “a Meidner-type

plan” for Britain that would award 51 percent of all seats on pension fund management and investment committees to employees or their representatives.

The Forgotten Economic Crisis of '68

“The Economic Crisis of 1968 and the Waning of the ‘American Century’” by Robert M. Collins, in *American Historical Review* (Apr. 1996), 914 Atwater, Bloomington, Ind. 47401.

There have been many accounts of the 1960s, and of the tumultuous year 1968 in particular, but strangely missing from most of them, writes Collins, a historian at the University of Missouri at Columbia, is “the most serious economic crisis since the Great Depression.” The crisis of 1968 “marked the beginning of the end of America’s postwar economic boom,” he argues, and helped persuade President Lyndon B. Johnson to cap escalation of the Vietnam War and curtail the Great Society.

The crisis—which culminated in March in a speculative run on gold (“the largest gold rush in history,” *Time* called it in a cover story)—was brought on by a combination of factors, Collins says. The “most deeply rooted” one was chronic U.S. balance-of-payments deficits. The causes: increased spending overseas, both by American tourists and a U.S. government vigorously prosecuting the Cold War, as well as increased imports from an economically resurgent Europe. The deficits produced a glut of dollars abroad, weakening other nations’ confidence in the dollar: (The dollar was then tied to the gold standard, while other nations’ currencies were tied to the dollar.)

The Johnson administration’s massive expenditures on the Vietnam War seriously aggravated the balance-of-payments problem and also fueled inflation. LBJ received advice as early as December 1965 from Gardner Ackley, chairman of his Council of Economic Advisers, to increase individual and corporate income taxes in order to cool down the economy. But Johnson—fearing this would play into the

hands of war critics and spell the end of his Great Society—resisted for a year and a half. Finally, in August 1967, he called for a major tax hike, only to see the bill held hostage in Congress by fiscal conservatives who wanted to trim domestic spending. Inflation worsened.

Amid rising international concern about America’s problems early in 1968, foreigners sold dollars and bought gold. In response, the United States and other nations made certain changes to return the international monetary system to working order, and LBJ and Congress finally agreed on a tax increase—together with a \$6 billion spending cut. But the gold crisis weighed on U.S. policymakers. “These monetary and budgetary problems were constantly before us as we considered whether we should or could do more in Vietnam,” Johnson later wrote. “It was clear that calling up a large number of troops, sending additional men overseas, and increasing military expenditures would complicate our problems and put greater pressure on the dollar.” That helped him to decide on a different course: expanding South Vietnam’s role in its own defense.

In any event, the makeshift solution of 1968 ultimately could not conceal the weakness of an international system based on a gold-backed dollar. The U.S. economy could no longer support the burden. After another global monetary crisis, in 1971, Collins notes, President Richard M. Nixon “closed the gold window.” No longer would the dollar be convertible to gold. By 1973, a new system based on floating exchange rates was in place, and the dollar was reduced to the role of first among equals in the world.

SOCIETY

It Takes a Village

A Survey of Recent Articles

A majority of Americans now live in suburbia, but if a recent Gallup Poll is any indication, most of them would prefer to be

elsewhere. Only 25 percent of Americans, according to the survey, look upon suburban living as ideal. Not that there is any great yearn-

ing for city life: only 13 percent favor urban existence. Nearly twice as many—25 percent—become misty-eyed as they imagine life on a farm. But these days, the most ideal place to live—embraced by 37 percent—is that other traditional, if oft-derided, wellspring of American virtue: the small town.

Ordinary Americans are not the only ones reconsidering suburbia. Long the *bête noire* of intellectuals, the 'burbs are now the subject of much new thinking. Some conservatives are questioning their commitment to these "bourgeois utopias," while liberals are belatedly taking them seriously as an object of study.

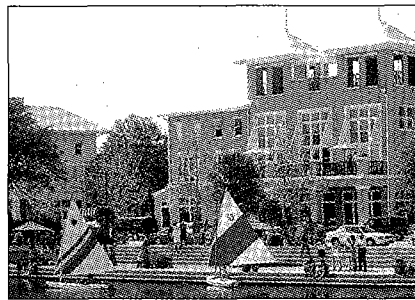
Thus Karl Zinsmeister, editor in chief of the moderately conservative *American Enterprise* (Nov.-Dec. 1996), writes, "People accept suburbs, but they aren't particularly enthusiastic about them." The suburbs have their virtues, especially for families rearing children, he acknowledges. But they still "are much less conservative, traditional, and family-friendly than we sometimes imagine." Suburbia, he claims, "is actually a fairly radical social experiment," and he blames it for encouraging a multitude of (alleged) modern woes, from "the weakening of generational links" to "the decline of civic action." Suburbs don't provide much in the way of neighborliness, he says. "You pick your mall, your office park, your residential street, your child's daycare and school. There are the secondary choices of exercise club, video store, medical clinic, car repair station, and favorite ethnic restaurants. You assemble all these into a daily travel package, and that is your 'community.'"

This is a far cry from the "natural" community of the village, in which humans have resided for most of their history, Zinsmeister writes—even if that sometimes has meant an urban village.

More of a champion of suburbia than most these days is Allan Carlson, president of the Rockford Institute. Writing in the same issue of the *American Enterprise*—which offers a gaggle of essays, interviews, and symposia on urbs and 'burbs—he musters "two cheers" for the suburbs. Although suburbanites live in "less complete" communities, they fare better in com-

parison with city dwellers, being "more family-oriented, more home-centered, more neighborly, and more inclined to take part in community affairs." As a "response to modernity," he avers, the American suburb is at least more successful than other models, whether in socialist Sweden, where "all the children are effectively wards of the state," or in still-vital cities such as Rome and Paris, which are, in effect, "child-free zones."

In the United States, the New Urbanism movement pioneered by architects Andres Duany and Elizabeth Plater-Zyberk (see their essay, "The Second Coming of the American Small Town," in *WQ*, Winter '92) aims to revive the principles of a neglected model, the traditional small town. Its "key precepts," Philip Langdon, author of *A Better Place to Live* (1994), writes in *American Enterprise*, include "a belief in the importance of the public realm—streets, sidewalks, parks, and gathering places. . . . Almost always, a traditional neighborhood is a walking neighborhood; houses are close enough together and near enough to the street so that neighbors cease to be strangers."



Disney's Celebration

Notable New Urbanist projects include Kentlands, in Gaithersburg, Maryland, near Washington, D.C., and Harbor Town, near Memphis, Tennessee. The Walt Disney Company is building such a town, called Celebration, near Orlando, Florida. It should be completed in eight to 10 years. Duany expects it—and Disney's massive promotion of the New Urbanist idea—to have a huge impact, as developers "see that it's replicable."

The taste for small-town living is so strong, observes Alan Ehrenhalt, executive editor of *Governing* (May 1996), that more people are opting for the real thing. For example, in Duncan, Oklahoma, a town of 23,000 near the Texas border, the downtown has undergone a startling revival. Ten years ago, 45 percent of the buildings in the four-block Main Street corridor were vacant; today, 93 percent are occupied. On Main Streets everywhere, he concludes, "there is finally a little reason to be optimistic."

It is striking that all this talk of thinking

small is occurring even as many urban visionaries speak of sprawling “megacities.” Introducing a potpourri on the “Post Urban Planet” (including contributions by Dutch architect Rem Koolhaas and Massachusetts Institute of Technology dean William Mitchell), the editors of *New Perspectives Quarterly* (Summer 1996) declare that “the future promises to make ruins of the past as the old cities prove too small to inhabit.” Global industry and instantaneous communications are said to be among the forces driving the change.

In planning circles, Joel Kotkin, a Fellow at the Pepperdine Institute for Public Policy, writes in *American Enterprise*, metropolitan government is seen as an antidote to today’s urban problems. In metropolitan gov-

ernment, one unified authority assumes control over a multitude of urban and suburban jurisdictions. But look at Los Angeles, whose city government presides over a huge area, he says. Nearly all of the smaller cities nearby are prospering, and there are movements afoot among communities inside Los Angeles to break away and form their own, smaller political units. What gives smaller cities an edge, Kotkin believes, is “stronger community participation and shorter feedback loops.”

So, at the close of the 20th century, Americans are being pulled in two seemingly opposite directions: toward large-scale cultural and economic institutions and toward smaller and more intimate communities. It’s a conflict that is bound to be felt in every cul de sac and city street in the land.

Welfare Reform That Works?

“New Jersey’s Experiment in Welfare Reform” by Ted G. Goertzel and Gary S. Young, in *The Public Interest* (Fall 1996), 1112 16th St. N.W., Ste. 530, Washington, D.C. 20036.

New Jersey’s controversial welfare reform plan—enacted in 1992 over strenuous protests—has worked, contend sociologists Goertzel, of Rutgers University, and Young, of the Community College of Philadelphia. The “message” it sent to people in the state’s inner cities was received, the “culture” there has changed—and declining birthrates, as well as reduced welfare dependency, are the proof.

The plan’s most controversial part was its

“family cap” provision, which denies an additional cash benefit to an unmarried woman who has another child while receiving Aid to Families with Dependent Children (AFDC) payments. The National Organization for Women called it “an impermissible attempt to intrude on the private lifestyle choices of poor women.” But Assemblyman (now Senator) Wayne Bryant, an African-American liberal Democrat from Camden and the architect of

Heterophobia

Daphne Patai, co-author of *Professing Feminism* (1994), writing in *Partisan Review* (Fall 1996), assays the radical feminist intolerance of men and the women “who insist on associating with them.”

It seems that much of the present passionate rejection of men is explained, only apparently paradoxically, by feminism’s embrace of “difference.” This embrace has led to such a splintering of identity that the category “woman” can hardly be used without embarrassment. There are so many newly emergent identities to which any one group of feminists need feel inferior: white women vis-à-vis women of color; heterosexual women vis-à-vis lesbians; women of privilege vis-à-vis poor women (though, characteristically in American society, this theme seems to be of less importance than the others). The fact is that feminism is fragmented by all these divisions, which have created . . . the “oppression sweepstakes.” I believe this jostling for place creates so much tension within feminism that it is barely able to sustain itself as a movement in which separate identity groups keep speaking to one another. But there is one thing that, apparently, can save the day for them all, and that is hostility to men.