

1998, 61 percent of initiatives passed, including one in Arizona to block the legislature from restricting suburban “sprawl.” Veteran *Washington Post* political writer David Broder and other critics fear that the trend endangers representative government.

The ballot initiative “is alien to the spirit of the Constitution and its careful system of checks and balances,” Broder warns in *Democracy Derailed* (2000). “Though derived from a reform favored by Populists and Progressives as a cure for special-interest influence, this method has become the favored tool of millionaires and interest groups that use their wealth to achieve their own policy goals.” Silicon Valley millionaire Ron Unz, for instance, helped get a successful bilingual-education ban on the 1998 ballot in California, providing \$650,000 to promote it. Initiatives, critics contend, bypass the deliberation that should go into the making of laws.

But Maggs, a *National Journal* correspondent, writes that political scientists don’t buy the thesis that money rules. After studying 161 initiatives in eight states over six years, Elisabeth

Gerber, of the University of California, San Diego, concludes in *The Populist Paradox* (1999) that while “organized interests, especially business interests, now play a greater financial role in the direct legislation process,” the big spending does not necessarily pay off. Voters approved only 31 percent of the initiatives funded mainly by “economic interests” (business and professional groups)—but 50 percent of those chiefly financed by “citizen interests” (including wealthy citizens).

Perhaps rich individuals belong in the “economic interests” category because they wield so much more influence than other citizens. “But where to draw the line?” asks Maggs.

The critics, he says, “fail to show that money has been any less corrupting on the alternative they prefer—representative legislatures.” And political scientist Shaun Bowler, of the University of California, Riverside, observes that if legislatures really were models of deliberation and thoroughly debated the great issues of the day, then perhaps their abysmal job-approval ratings from the public would go up a bit.

FDR, Fiscal Conservative?

“The Forgotten Legacy of the New Deal: Fiscal Conservatism and the Roosevelt Administration, 1933-1938” by Julian E. Zelizer, in *Presidential Studies Quarterly* (June 2000), Center for Presidential Studies, Texas A&M Univ., College Station, TX 77843-4349.

When President Bill Clinton embraced the cause of deficit reduction shortly after

taking office in 1993, he was not betraying the tradition of New Deal liberalism but

EXCERPT

Moral Federalism

For all the talk of globalization, it matters greatly these days where you happen to live. If you are gay and want recognition of your union with a person of your own sex, it helps if you are a Vermonter. If you are poor and want public assistance to send your child to a private school, you can be thankful if you live in Milwaukee. And if you like having the Ten Commandments posted in your local courthouse, Alabama is the place to be. In the absence of national policy on some of the most contentious issues of the day, America is engaged in an experiment in moral federalism, as state and local governments take sides in the country’s culture wars....

Because America requires both a common morality and respect for rights, moral federalism can never be a panacea. Yet when a society is bitterly divided over morality, allowing states and local governments to express different moral outlooks may make a lot of sense.

—Alan Wolfe, director of the Center for Religion and American Public Life at Boston College, writing in *The Responsive Community* (Summer 2000)

adhering to one of its “most important, yet least appreciated, legacies,” argues Zelizer, a historian at the State University of New York at Albany.

Though New Deal historians usually de-emphasize it, fiscal conservatism—i.e., “an agenda of balanced budgets, private capital investment, minimal government debt, stable currency, low inflation, and high savings”—was “a key component of the New Deal,” he says. President Franklin D. Roosevelt knew that investors and businessmen, mainstream economists, and most of the voting public favored it. And he did himself, at least in principle.

But “the pressure [on him] to spend was enormous,” notes Zelizer. “He wanted a balanced budget,” Secretary of Labor Frances Perkins later reflected, “but he also wanted to do the right thing by his unemployed citizens.”

Two top advisers struggled “to keep Roosevelt faithful to fiscal conservatism,” says Zelizer. One was Lewis Douglas, director of the Bureau of the Budget. Douglas championed the Economy Act of 1933, which, by giving the president broad powers to cut veterans’ payments and federal salaries, reduced federal spending by \$500 million.

His influence was short-lived, however, as FDR sought to alleviate mass unemployment and suffering with government relief programs. Deficits widened. Only three per-

cent of Americans paid any income tax, and Washington had only two other principal sources of revenue: excise and payroll taxes. A disillusioned Douglas resigned in August 1934.

But fiscal conservatism did not depart with him, Zelizer says. Secretary of the Treasury Henry Morgenthau, Jr., “promoted a vision of moderate fiscal conservatism that influenced Roosevelt for three critical years,” 1934 to 1937. In contrast to the inflexibly antistatist Douglas, Morgenthau “embraced the basic tenets of New Deal liberalism,” and worked for “budgetary restraint within the New Deal.”

When economic conditions eased, FDR “called for a balanced budget” in the spring of 1937, Zelizer notes. Significant spending cuts were made, but the budget, in the end, was not balanced. That fall, the economy relapsed, and Roosevelt in April 1938 embraced the Keynesian idea of stimulating the economy with almost \$3 billion in emergency spending.

The significance of this move has been much exaggerated, Zelizer contends. The deliberate \$3 billion deficit was small, given the \$100 billion economy. There is “little evidence” that FDR meant to permanently reject the goal of balanced budgets and debt reduction. And just what his “long-term position” might have been never became clear, as his final years in office “were consumed by the exigencies of war.”

FOREIGN POLICY & DEFENSE

The Relevance of Realism

“Structural Realism after the Cold War” by Kenneth N. Waltz, in *International Security* (Summer 2000), Belfer Center for Science and International Affairs, Harvard Univ., 79 John F. Kennedy St., Cambridge, Mass. 02138.

To hear some analysts tell it, the venerable “realist” view of international politics has become obsolete. No longer do we live in an anarchic world of self-interested states concerned with power and security. Since the Cold War ended, international politics supposedly has been transformed by the spread of liberal democracies and the rise of economic interdependence and international institutions. Waltz, the noted political theorist who is now an adjunct professor at

Columbia University, begs to differ.

The spread of democracy, he says, does not alter the essentially anarchic character of international politics, in which, without “an external authority, a state cannot be sure that today’s friend will not be tomorrow’s enemy.” This would be so even if all states were to become democracies. It is true that democracies seldom have fought other democracies (though it has happened), but that is no guarantee that wars will not break