

ECONOMICS, LABOR & BUSINESS

"The recipes for sustained development are neither unfamiliar nor arcane," writes Wolf. Why haven't they been widely adopted? Rhetoric aside, he says, leaders of poorer Third World nations have seldom made economic uplift an overriding priority; most prefer to focus on disputes with neighbors, the acquisition of sophisticated weaponry, or various forms of "socialism." It is no coincidence, he suggests, that such policies enhance the power of the government and its leaders, while proven development "recipes" set limits on state intervention.

Preventing Public Strikes

"Challenging the Taylor Law: Prison Guards on Strike" by Lynn Zimmer and James H. Jacobs, in *Industrial and Labor Relations Review* (July 1981), New York State School of Industrial and Labor Relations, Cornell University, Ithaca, N.Y. 14853.

On April 18, 1979, after contract negotiations broke down, 7,000 prison guards illegally walked off their jobs at 33 New York State institutions. The events of the strike reveal the limitations of collective bargaining, particularly in dealings with public employees, say Zimmer and Jacobs, a graduate student and law professor, respectively, at Cornell.

At the bargaining table, the guards had demanded unusually high wage increases and benefits, which they believed were justified by their high-stress work. Their militancy sprang from resentment over reforms enacted after the 1971 inmate uprising at the Attica prison. After the state's McKay Commission criticized racist, poorly trained corrections officers at Attica, the guards' status and authority suffered. State "pens" were inundated with outside experts who agreed with prisoners that the guards' "brutality" undermined rehabilitation. Several court rulings curbed guards' disciplinary powers. And new policies permitting uncensored mail and work release time for prisoners not only angered the guards but also enhanced convicts' opportunities for prison assaults, drug use, and thefts.

The state's formal grievance procedure was designed to resolve specific disputes over administering existing contracts. And worker-management committees usually restricted their agendas to minor, localized complaints (e.g., concerning mess hall schedules or forced overtime). Collective bargaining served well as a wage negotiating process but not as a forum for resolving more complex problems; collective bargaining also raised union members' expectations in a situation where, in reality, the employer, government, held the trump cards.

New York Governor Hugh Carey broke the strike (which lasted 17 days) by calling in 12,000 National Guardsmen to run the prisons and by invoking the state's Taylor Law, which imposes stiff fines on striking public workers. In the end, the guards won only token wage boosts.

When dealing with public employees in stressful jobs, say the authors, traditional union-management confrontations are no substitute for responsible personnel policies. In the case of New York's prison

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guards, programs aimed at boosting *esprit de corps* and developing career ladders into supervisory positions would have taken some of the pressure off union negotiators and the collective bargaining process.

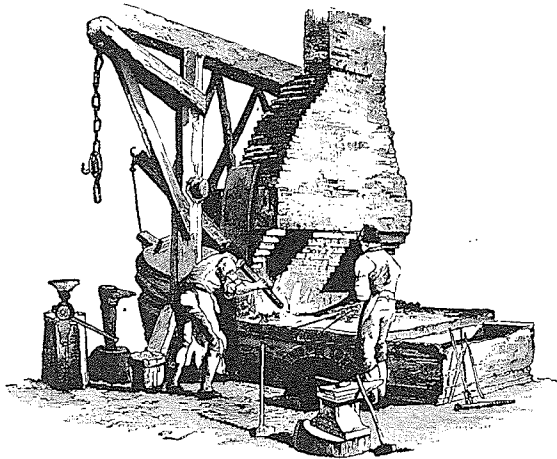
Guns and Butter in Merry England

"Taxation in England During the Industrial Revolution" by Ronald Max Hartwell, in *The Cato Journal* (Spring 1981), 747 Front St., San Francisco, Calif. 94111.

Wars and the taxes that financed them struck many late 18th-century Englishmen and economists—as well as later historians—as drags on economic growth during the Industrial Revolution. In fact, contends Hartwell, an Oxford historian, the economic benefits of taxation and military spending outweighed their costs.

England's Industrial Revolution roughly coincided with the Napoleonic wars (1793–1815) and followed a century of conflict. Modern researchers estimate that while national income rose nearly fourfold during the key 1780–1830 period, taxation per capita probably increased fivefold. Unlike France, England had long been adept at contriving schemes to pay for wars without inflaming its citizenry. It first imposed import duties in 1275 and had been collecting excise taxes on basic necessities and raw materials such as soap, salt, leather, and tea since 1643 (during the English Civil War).

In 1780, squeezing increasingly heavy customs, excise, and land taxes from an unhappy populace failed to produce funds to wage war successfully against the American colonies. In 1797, during the Napoleonic wars, Prime Minister William Pitt convinced Parliament to levy "an efficient and comprehensive tax on real ability"—an income tax. Soon, it was yielding nearly 20 percent of total tax revenue. Moreover, during



*Built to supply
weapons to
British soldiers
battling Napoleon
at the dawn of the
19th century,
factories such as
this iron foundry
spurred England's
industrial growth.*

From *Microcosm* (1806)
by William Henry Pyne.