

**ECONOMICS, LABOR, & BUSINESS*****What FDR Saw  
In Keynesianism***

"Keynes, Roosevelt, and the Complementary Revolutions" by John Kenneth Galbraith, in *Challenge* (Jan.-Feb. 1984), 80 Business Park Dr., Armonk, N.Y. 10504.

The past two years brought the centennials of the birth of Franklin Delano Roosevelt (1882) and of John Maynard Keynes (1883), who together transformed American economic thought and public policy. Yet the two men did not see eye-to-eye on the revolution they started.

As a student of Keynesian economics during the 1930s and as a wartime price-control official in the Roosevelt administration, Galbraith, now professor emeritus of economics at Harvard, saw the "complementary revolutions" up close. He believes that Roosevelt was essentially a conservative who feared that "capitalism could not survive its own cruelties." FDR's solution to the crisis of the Great Depression was government action—public works projects, Social Security, unemployment insurance—to improve the lot of the downtrodden.

Keynes, on the other hand, worried that FDR's reform agenda would shake "business confidence" and distract attention from the fundamental task of managing the economy to avoid swings in the business cycle. The British economist was, in his own way, also conservative. But his answer to the depression was the idea of deficit finance—the notion that national economies would remain stuck in low gear unless governments borrowed money and spent it to spur demand for goods and services. If Keynes had confined himself to advocating deficit spending, Galbraith speculates, he would have attracted little notice. It was Keynes's "genius" to add a host of intricate and sometimes incomprehensible propositions, such as his theory of "liquidity preference," that so absorbed economists that they accepted deficit finance without much thought.

FDR was philosophically committed to balanced budgets. Yet he needed money for his social programs. "He did not reject the Keynesians who sought to persuade him," Galbraith writes. "He regarded them as individuals uniquely skilled in rationalizing the inevitable."

**SOCIETY*****'Comparable'  
Worth?***

"Comparable Worth: Another Terrible Idea" by Geoffrey Cowley, in *The Washington Monthly* (Jan. 1984), 2712 Ontario Rd. N.W., Washington, D.C. 20009.

If America's working women were suddenly to receive "equal pay for equal work," they would still earn less, on average, than men do. That is because the *occupations* in which women are concentrated are low paying. So today, feminists are demanding a "comparable worth" formula. Cowley, a *Seattle Weekly* staff writer, thinks it is a terrible idea.