

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.

SOCIETY

The principle is simple. Men and women in different kinds of jobs that nevertheless require "comparable" levels of skill and responsibility should receive the same pay. Or, as some women ask, "Why *shouldn't* a female secretary with an M.A. in English literature and responsibility for managing the office's accounts get paid the same as a Teamsters truck driver who hauls frozen chickens?"

The issue is in the news because last November a federal district court judge ruled that the state of Washington must implement "comparable worth" and pay its female employees back wages of some \$1 billion. (The case is being appealed.) Ironically, the state wound up in court because of a study it commissioned in 1974 from Seattle consultant Norman D. Willis. Willis devised a complex measurement scale to compare different kinds of jobs; he found that women employed by the state were earning 20 percent less than men in "comparable" jobs.

Willis now recoils at the thought that his or anybody else's scorecard should become *law*, Cowley reports. He adds, "Maintaining a standard as vague as "worth" could make quantum mechanics look simple." The Willis scale requires assigning each job a score based on skills required, mental demands, and working conditions. A clerk-typist might be classified as a "C1N 106 C2-f 23 C1N 23 L1A O," entitled to the same pay as anybody else of the same mathematically determined "worth."

Such a system would be an administrative nightmare. Every wage and salary in the nation would be subject to endless dispute and litigation. Market factors would be overlooked: Personnel managers, for example, would have to be paid more than pulp-mill superintendents. Yet, in the real world, good pulp-mill managers are harder to find and thus get higher salaries. Indeed, says Cowley, "the most pernicious aspect" of comparable worth is that it would further encourage undue emphasis on credentials, such as college degrees. "There are far better ways," he concludes, "to fight sexual discrimination in the workplace."

Immigrants in The Old South

"Natives and Immigrants, Free Men and Slaves: Urban Workingmen in the Antebellum American South" by Ira Berlin and Herbert G. Gutman, in *The American Historical Review* (Dec. 1983), 400 A St. S.E., Washington, D.C. 20003.

In the American imagination, the ante-bellum South has been reduced to a series of images out of *Gone with the Wind*—a world of rural plantation manors and of masters and slaves. Even historians have forgotten the South's cities and the surprising numbers of European immigrants who were drawn to them before 1860.

Berlin and Gutman, historians at the University of Maryland and City University of New York, respectively, contend that recalling these immigrants clarifies what happened to the South and to its freed slaves after the Civil War. The immigrants—Irish, German, Italian—never exceeded three percent of any Southern state's population before 1860, but in cities such as Savannah and Richmond they comprised up to