

ECONOMICS, LABOR & BUSINESS

*The Debtor's
Dilemma*

"Primrose Path to Bankruptcy" by Vern Countryman, in *The Nation* (Sept. 4, 1976), 333 Sixth Ave., New York, N.Y. 10014.

The Federal Bankruptcy Act falls far short of giving the debtor the "fresh start" the Supreme Court said was one of the law's primary purposes, writes Countryman, professor of law at Harvard. It's like "applying a Band-Aid to a gaping wound."

Originally passed by Congress in 1898, the Act was last revised significantly in 1938 and still reflects the attitudes and practices of an earlier era. For example, archaic state laws still prevail regarding the property a debtor may keep to make his "fresh start." In Connecticut, the debtor may retain (as he could in 1821) "ten bushels each of Indian corn and rye," and South Carolina exempts, as it has since 1895, a \$1,000 homestead.

The bankruptcy problem is growing rapidly. The number of Americans applying for remedy under the federal act rose from 10,000 in 1946 to 255,000 in 1975. (A Brookings Institution study found that the typical bankrupt is a 36-year-old married industrial worker with three years of high-school education, three children, yearly income of \$5,200 and \$5,000 in debts.) Most overburdened debtors seek "straight" bankruptcy under which their nonexempt assets are liquidated and the proceeds, after payment of court costs, are applied to the claims of creditors. The debtor preserves what exempt assets he can under prevailing state law and obtains a bankruptcy discharge of his debts.

A federal Bankruptcy Commission studied the problem for two years and proposed some major reforms in 1973. Now Congress is looking at a variety of suggested changes. Some would treat consumer debtors more harshly, others would ease their plight. Enactment of legislation that might improve the present "Band-Aid" law, says Countryman, is at least a year or two away.

*Occupational Sexism
In the Soviet Union*

"Occupational Segregation and Public Policy: A Comparative Analysis of American and Soviet Patterns" by Gail Warshofsky Lapidus, in *Signs: Journal of Women in Culture and Society* (vol. 1, no. 3, Part II), 5801 Ellis Ave., Chicago, Ill. 60637.

There are many similarities in the patterns of female employment in the United States and the Soviet Union, despite much-publicized differences in approach to the issue of women and work.

In America, says Lapidus, professor of sociology and political science at Berkeley, the de facto segregation of most women into low-status, low-paying jobs reflects a culture which traditionally has upheld male primacy in the economic realm. Such traditions are expressly repudiated by the Soviet regime, which officially promotes full equality for

ECONOMICS, LABOR & BUSINESS

women and supports their dual role as workers and mothers through generous maternity legislation and child-care programs. Thus, 85 per cent of all Soviet females between the ages of 20 and 55 are employed, almost all of them full time. (In the U.S., 41.3 per cent of the women between 20 and 55 are employed full time.)

Nevertheless, sizeable inequalities exist in the Soviet Union. Occupations with large numbers of low-status, clerical personnel are dominated by women (e.g., workers in the credit and state-insurance fields are 81 per cent female; in government and economic administration it is 63 per cent). Eighty-five per cent of all medical personnel are women, but men hold half the top jobs (chief physicians and executives of medical institutions). Only one-fourth of the junior scientific workers and assistants, and two per cent of the university professors and members of scientific academies are women. Lapidus reaches the obvious conclusion: "Economic participation does not, in and of itself, guarantee equality of status and authority for women."

A Home Is Not a House

"Mobile Homes: High Cost Housing in the Low Income Market" by Philip Weitzman, in the *Journal of Economic Issues* (Sept. 1976), 509-J Business Administration Building, Pennsylvania State University, University Park, Pa. 16802.

More than 9 million Americans now live in mobile homes (once known as "house trailers"), mostly on permanent sites. With no significant help from the federal government, mobile homes have captured a major share of the housing market (22 per cent of total housing starts and 33 per cent of single-family home starts in 1973). Weitzman, an economist at the City University of New York, argues that mobile homes are not the bonanza for low-income families that they appear to be.

High annual finance charges of 11 to 14 per cent on an installment purchase contract, rapid depreciation (15 years of useful life as a primary residence), and little or no built-up equity make the \$7,000 mobile home (average 1972 price) no bargain for the home buyer who can scrape together the \$2,905 down payment for an FHA-insured \$27,600 house (1972 prices).

Mobile-home purchasers (usually young married couples or the elderly) benefit from lower move-in costs (down payment, closing costs and furniture costs average \$1,675 for the mobile home and \$6,525 for the small house). But they get no chance to build up an equity in an asset that tends to appreciate in value.

The mobile-home boom, Weitzman notes, has done little to ease the housing problems of the very poor and minorities confined to central cities. Yet by offering blue-collar workers cheap housing in mobile-