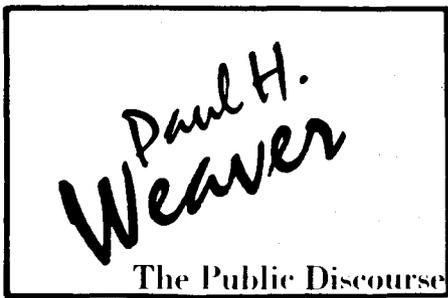


contradicting himself or that he believes that his advocacy of change really means something. (Actually his approaches to technology, ecology, economic growth and democratic process reveal a peculiar timidity toward change.)

It is rather that he *believes*. He really does believe the windy rhetoric which howls through a presidential campaign. He believes in his "agenda for change" with all of its contradictions. He believes in the canards his handlers prepare for

him to pin on Mr. Nixon. He believes that America rots without his leadership. No president in this century has ever been so gullible, and the only presidential candidate to match his gaping credulity was the remarkable Bryan. It is the horse laugh of the century. When Pious George kisses a baby he believes that it is because he has fallen in love. God bless George McGovern! □

R. Emmett Tyrrell, Jr.



Endless Liberalism

Few things in American politics are quite so dispensable as the platforms of our national political parties. In general, they are laborious unreadable compendiums of platitudes and nonsense. As soon as they appear they quietly fall off the edge of the world and are never heard of again. Nobody seems to object or even notice.

The extraordinary thing about the 1972 platform of the Democratic party is that it is no exception to this general rule. There was reason to expect that it might be different. The platform committee and its staff included several very talented experts on public policy and American politics. They had abundant time and information: the committee held twenty hearings in a dozen cities over a period of six weeks, after which there were further meetings for discussion. There seemed to be no limit constraining its end product; the final document contained over 20,000 words!

These resources were on hand at a moment of unusual opportunity. In 1972 there was no incumbent Democratic administration to defend. The political alliances and traditional programmatic commitments of the party were in disarray or disgrace after the shattering experience of the 1960s. The nation was clearly in need of a new political formula—and the 1972 platform committee was not in a bad position to create one. A majority of its members were McGovern delegates and felt no need to defend the approaches of earlier decades. They were also advocates of truth and honesty in politics, and presumably in platforms as well. They could admit errors of the past and profit from them. Indeed, they professed to be doing just that.

Now in all fairness, I must admit some parts of the platform do begin to live up to the promises of these circumstances. Most notable in this respect is the section on the environment. It actually admits that cleaning up pollu-

tion has cost — in reduced economic growth, in increased public expenditure, in higher unemployment levels—and that these must be balanced against the goal of clean environment! This must surely be a first for any party platform and is an admirable expression of competence and intellectual honesty in politics. This section makes no glowing promises, holds forth no utopian vision of an immaculate future and even manages to make no dishonest attack on the current administration. It even advocates what nearly every professional economist now holds to be the cornerstone of any serious and balanced attack on pollution — imposing a tax on each polluter's discharge into the environment—but which is now entirely absent from federal pollution policy which the Democrats have played the leading role in enacting.

A second part of the platform which reflects a degree of learning from the 1960s (and the election result of the 1970s) deals with crime. The Democratic party has finally begun to take crime seriously as a public problem in its own right, rather than as a nonphenomenon invented by demagogues or an epiphenomenon of poverty and injustice. Its principal recommendation is direct and sensible: improvement of the system of law enforcement, from police to court and prison, so that more criminals are caught and convicted. The rest of its recommendations, alas, are more dubious — there is no reason to think that better-paid and better-educated police are better police, and it seems profligate to propose huge expenditures on addict and criminal rehabilitation when nobody knows how to rehabilitate such people successfully, etc. Even so, this section is on balance a serious one.

The virtue of these two sections is that they are informed by a clear and realistic sense of purpose, state honestly

the problem and choices involved and make realistic policy proposals that are presumptively worth what they cost. The rest of the platform is almost wholly lacking in these characteristics — and that, in a nutshell, is what is wrong with it and with the convention that sired it.

I make no specific reference here to any one particular item in the platform's bulging arsenal of policy and program proposals. There is a serious case to be made for (and against) each, and only a mindless partisan would dismiss them out of hand. But this is not the pact to take them up. Neither do I propose to discuss the obsessive and often illiberal egalitarianism which forms a major motif of the platform; I myself do not find it attractive or justifiable, but I can see how others might. I even propose to ignore the astronomical — and conveniently unspecified — cost of the entire democratic program and the tax increases and socio-economic distortions it would surely engender.

For of all of its characteristics, what is most striking and dismaying about this document is not the specifics of its parts but the spirit or tone which suffuses the platform as a whole. One would be tempted to call this a spirit of demagoguery were it not for the fact that it is born of sincerity rather than cynicism. Thus, what one encounters in this document is the politics of fantasy—out of touch with reality, inchoate, reckless, surging with passionate anger and aflame with utopian hope.

This condition is reflected in the platform's abysmal level of discourse. There are whole sentences that are literally meaningless (e.g., "What do the people want?...They want a life that makes us all feel that life is worth living," or "We believe in hard work as a fair measure of our willingness to achieve.") — and others so blatantly ridiculous ("We must recognize and fulfill the social contracts that exist between the family-farm producers of food and the non-farm consumer.") or childishly sentimental ("We believe that war is a waste of human life.") that one can only wonder whether anyone was in charge at all.

This fantasy spirit is also reflected in an almost wilful disregard of our recent national experience. The document reads as if the 1960s had never occurred—as if experience and social science had never called traditional liberal social policy into the gravest question; as if overpromising and verbal hysteria had been shown to be a good thing; as if full employment and zero inflation and high growth and radically increased government spending were well within the demonstrated ability of modern economic management to attain simultaneously; as if the sharp limits on government's ability to improve society in chosen ways had not long since been demonstrated.

But these are only symptoms of a deeper and more serious disorder. For as one reads and re-reads this platform, one suddenly realizes that beneath and beyond the carload of programs, policies,

(continued on page 14)

Alan Reynolds

McGovern's Muddled Economics

This article was prepared prior to McGovern's August 29th revised revision of his economic program. Today's version replaces the \$43 billion in income redistribution with \$14 billion in old-fashioned welfare. The original \$28 billion tax reform has been replaced with an even sillier plan which is supposed to eventually yield \$22 billion. This means that McGovern would need new revenues of \$175 billion, but has only accounted for \$43 billion — still leaving a gap of \$132 billion. Closer, but not close enough.

"What we really need is not indiscriminate handouts of Federal funds ..."
"I'll be inconsistent once in a while."
Senator George McGovern
Playboy August 1971
National Observer June 17, 1972

After being dissected and disowned by almost every major newspaper and political magazine, the only thing clear about McGovern's economic program is that it still isn't clear. Despite his recent retreat from \$1,000 income grants, for example, the fact remains that McGovern's success has been built of such schemes, though he has been only too willing to abandon each one after it had served its purpose. Surely we must also remain a bit astonished that a presidential contender, surrounded by scholarly advisers, could have proposed a major plan without ever understanding who would bear what cost. Humphrey guessed the grants would cost \$115 billion; a Senate finance committee said \$51 billion. But McGovern insisted that the plan would involve "no net burden on the Treasury at all." That is literally true, of course, as it would be true of any expenditure that is offset by new taxes, though the approach isn't very enlightening.

Next, McGovern's able aide, John Holum, tried to cover his leader's sophism with another: "The income grant would not be a part of the budget process; rather, it would be an item ... which would affect the income tax collections available ..." That is, a given reduction in I.R.S. revenue has some altogether different budgetary effect than an equivalent increase in Treasury spending. Anyone who balances a checkbook should be able to see through that. It's like saying, "Just because my paycheck is smaller doesn't mean I have to spend less."

Why the sudden mystery? In McGovern's article in *The New York Review of Books* (May 4), he wrote: "The credit income tax proposal would imply a redistribution of income of some \$14.1

billion from those above the poverty line to those below it. The redistribution from those above the break-even income to those below it but still above the poverty line would amount to \$29 billion." Therefore, the Federal Government will have to come up with grants of \$14 billion and tax reductions of \$29 billion, and the total added expense (or reduced revenue) would therefore be \$43 billion. We can certainly use this figure (\$43 billion) as a low estimate of the magnitude of redistribution that McGovern has been promising, regardless of the specific plan adopted.

McGovern supports health insurance and day care (*Time* May 8, 1972; *Playboy* August 1971), but has not provided details or cost estimates. Authoritative estimates of \$60 billion for health insurance and \$17 billion for day care centers have been supplied by the Brookings Institution's study of the 1973 federal budget. I had earlier estimated the annual cost over a decade of McGovern's lavish promise of subsidizing "30 million new homes" at \$25 billion (*National Review* May 26, 1972), but I am willing to consign this item to the realm of loose campaign rhetoric. It is hard to be equally generous about health insurance and day care, however, since they're featured in the Democratic platform. If McGovern doesn't really plan any new spending for health and day care, he should say so.

While in California, McGovern pandered to defense workers by promising them unemployment benefits amounting to 80 per cent of their previous salaries. The Brookings study estimates that a \$12 billion defense cut-back (from a projected \$100 billion 1977 defense budget) would wipe out over 450,000 civilian jobs. If all these defense scientists, engineers and workers averaged only \$10,000 a year, 80 per cent unemployment benefits could cost \$3.6 billion (450,000 times \$8,000). Assuming that Congress will not reduce the defense budget more than \$21 billion, such a reduction could involve an unemployment expense of \$6.3 billion.

The other spending items are non-controversial, since they're McGovern's own figures and have been widely publicized (*The Humanist* November-December 1971; Tom Wicker, *New York Times* June 1, 1972). Note that the list does not include McGovern's promises of \$10 billion more for Social Security and \$5 billion for revenue sharing, because McGovern now admits that these items are expendable if the \$1,000 grants are instituted. Nor have I included the unknown cost of: "a fund to give ... protection against bankruptcy to small business;" "provision of low cost credit to home-buyers,

small businessmen and farmers;" "a guaranteed job for every man and woman who desires work ...;" "alleviation of the shortage of railway and freight cars, the modernization of rail transport ...;" "a system of tax-rebate incentives to encourage industry to plan for the transfer of its workers and its facilities to peace-time production;" and (this one kills me) "an orderly reduction in the national debt." The above additions were taken from only two pages of McGovern campaign literature. By excluding this sort of thing, I am obviously under-stating the cost of McGovern's proposals by tens of billions of dollars.

So, McGovern plans on adding at least \$162 billion to a federal budget which the Brookings people expect to grow to \$300 billion by 1975 without any new legislation. How does he propose to pay for it? "If the personal exemption were removed," says McGovern, "the federal government would receive \$63.6 billion in additional tax revenues." (The figure is about \$36 billion too high.) From whom? A *New York Times* article (June 5, 1972) says: "these exemptions, indisputably, are worth more in taxes saved to high-bracket taxpayers than to low ones." This is true for high-bracket taxpayers considered individually. It is emphatically *not* true, however, for the high bracket taxpayers as a group — simply because there are so few of them. Besides, if it is to mean anything at all to say that \$43 billion will be "transferred to lower income groups," then that transfer *must* be over and above any offsetting tax increases on the same groups. Those over the \$12,000 "break-even point" must, therefore, pay \$43 billion in new taxes for the grant program alone. In saying this, I am *not* holding McGovern to his \$1,000 figure. James Tobin's \$43 billion estimate was based on a \$750 grant several years ago. The cost of a \$1,000 grant today would be substantially higher. Another minimum income bill which McGovern actually introduced (S.2372) would have cost \$71 billion in fiscal 1977, according to the Senate Finance Committee.

Stripped of surplus confusion, McGovern's original idea of "tax reform" went something like this: (1) Existing loopholes in the personal income tax need not be changed, but non-farmers with incomes over \$50,000 must pay a minimum of 52.5 per cent regardless of losses in previous years, medical catastrophes, charitable contributions, business or interest expenses etc.; (2) "Special loopholes, such as percentage depletion, need not be phased out," but corporate taxes can be raised by almost half by simply