

PHIL STANFORD

Paying off the teachers

THE PROPOSAL TO ESTABLISH a cabinet-level Department of Education, now being considered by Congress, is nothing more nor less than the payoff of a campaign debt owed by Jimmy Carter to the National Education Association. During the campaign, the NEA—which represents 1.8 million of the nation's 2.2 million primary- and secondary-school teachers and ranks as the second largest union in the country—endorsed Carter and contributed not just money but its considerable political organization to his election. No less an authority than Carter's campaign manager Hamilton Jordan has said the support of the teachers was "crucial to our winning." All they asked in return was their own cabinet post.

To hear the supporters of the measure as they testify before Congress these days, creating the new department would be little more than an exercise in administrative efficiency. According to James T. McIntyre, Jr., director of the Office of Management and Budget, consolidating into a single department the education programs currently operated by HEW and five other federal agencies would form a "simpler, more accountable organization than now exists." Or, as the NEA so gracefully puts it, the department would "provide an efficient administrative structure for the streamlining of the widely scattered education functions of the federal government, for the simplification of these programs. . . ."

We may rest assured, however, that the NEA has not been lobbying so strenuously for a Department of Education simply because it has a soft spot

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for government efficiency. Reorganization, the establishment of new jurisdictions within the government, inevitably means the redistribution of power—and the proposal to organize a new Department of Education is surely no exception to this rule. As Rich Jaroslovsky of the *Wall Street Journal* has explained, "Under the current setup, the NEA is only one of many big special-interest groups seeking to influence HEW policies. But in a smaller, separate Department of Education, the group's presence and influence would be greatly magnified." For example, the American Federation of Teachers, the NEA's smaller and less powerful rival, opposes the creation of a new department for precisely this reason.

Like all standard political explanations, this tells us how but it does not answer why: Why, precisely, does the NEA want a Department of Education? And what does it plan to do with it once it gets it?

To date, opponents of the proposed Department of Education have argued against it on the ground that it would lead to the federal control of educational policy. This argument has been used mainly by conservatives who fear, rightly enough, that the generally liberal educational establishment could use the new department to promote its favorite social programs.

Of course. Consolidating all federal education programs in a single Department of Education would result in greater federal involvement in educational policy. How could it not? The only mistake would be to suppose, as did the authors of an opinion piece that appeared in the *Washington Post* last August, that "a Cabinet-level department is a backdoor way of creating a national education policy, of breaking with the long tradition of a limited federal involvement in education and of virtually no federal responsibility for schools and colleges themselves." As Joel Spring has demonstrated, most recently with his book *The Sorting Machine*, education has actually been considered a tool of national policy in the United States at least since World War II. Over the past

"If H-Bomb proliferation can be successfully portrayed as a problem of keeping a 'secret,' Government elites can maintain the illusion that merely guarding this secret will keep us secure. That way, they can head off the notion that our only real security lies in preventing the political and economic decisions which make bombs possible. And they can block the needed political and economic changes which will not be made unless the United States and the four other members of the nuclear club are willing to sacrifice their own obsession with the nuclear arms race."

As it turns out, *The Progressive's* fight to be free to publish Howard Morland's article is indeed a matter of life or death. But not in the way Judge Robert Warren has drawn those eschatological lines. Howard Morland clarifies this point precisely in a March 26 Op-Ed piece for the *New York Times*, in which he tells of the navy's plans to store nuclear weapons in igloos that will be placed near the Honolulu airport. Environmentalists and others opposing the stacking of nuclear bombs in so highly vulnerable a place have brought suit demanding the government prepare an environmental impact statement for this macabre scheme.

Testifying in federal court in Honolulu, a Department of Energy information-classification specialist said the navy could not even discuss the environmental impact of nuclear-weapons storage. Why, to do that would be to violate security classification rules. Would an airplane crash near the igloos scatter radioactive material? The public is not allowed to know, because the answer would reveal nuclear-weapon-design information. And the basis for this total secrecy, the witness emphasized, is the Atomic Energy Act of 1954. Just trust the government.

Morland notes that Dr. George Kistiakowsky—a physicist who was much involved in the development of the atomic bomb—told him last October, while he was researching the *Progressive* article, that the nuclear establishment in America "is like a monastic order. Its members live off the larger society but are not part of it. They surround themselves with a wall of secrecy." It is vital, Kistiakowsky says, that their activities be opened up to public scrutiny.

And that is what *The Progressive* thought it had the First Amendment right to do. □

If a Department of Education is created, Carter will have paid off his campaign debt to the NEA.

quarter-century Washington has increasingly determined the course of educational policy. The National Defense Education Act of 1958, which was an attempt to "catch up with the Russians" after Sputnik by encouraging more science courses, and the Elementary and Secondary Education Act of 1965, which created new programs for the education of the disadvantaged as part of the War on Poverty, are the two most obvious examples of this involvement. There is, furthermore, no reason to doubt that the establishment of a national Department of Education would accelerate this trend, or that, given the NEA's influence in such a department, NEA's special concerns—from career education to the metric system—would become the priorities of the nation's schools.

BUT THIS HARDLY SEEMS an adequate explanation for the NEA's obsession with a Department of Education (any more than it is a persuasive political argument against the creation of such a department). Nobody ever gets very excited about more of the same. No, the real reason concerns something infinitely more important to the NEA and its membership than mere educational policy, and if it has been overlooked in the debate so far, it's hardly the NEA's fault. It is spelled out in the current *NEA Handbook* for anyone who cares to look. However, even without this convenient revelation, it shouldn't have been too difficult to figure out.

The NEA today represents an over-extended industry. Since the peak year of 1970-71, enrollment in the nation's public schools has dropped 7 percent, from 42.4 million to 39.4 million. At the same time, the number of public school teachers has continued to increase. During the past decade the number of elementary and secondary teachers has gone up 13 percent; over the same period their average salary, which is now \$15,615, has risen 88 percent.

These facts alone would spell trou-

ble. However, on top of everything, the teaching industry is faced with a tax revolt, which to date has been most effective at the state and local levels. As it happens, state and local governments are also the source of most of the revenues that go to pay for public schools. According to statistics published by the NEA, the total cost of operating this country's public schools this year will be \$86 billion. State governments will provide 47 percent of that total, local governments 44 percent (for a combined total of 91 percent), and the federal government 8.8 percent.

When you consider these two sets of statistics together, the NEA's desire to establish a Department of Education begins to make more sense. The following passage, from NEA president John Ryor's introduction to the latest *NEA Handbook*, leaves no room for doubt:

[T]here are currents of change on the public scene that have profound implications for education and America.

One sign of change is the widespread sentiment for reduction of property taxes and other forms of state and local taxation that have traditionally financed public education. . . . The implications for public education, the foundation of the nation's future, are enormous.

The solution lies in a massive infusion of federal funds into public education. The federal government, with its greater, more equitable taxing power, must assume more of the financial responsibility for the schools. We teachers must reaffirm our commitment to the NEA's long-standing legislative priority—one-third federal funding of public education.

The establishment of a separate cabinet-level Department of Education is vital in the situation in which public education finds itself today. Such a department will be better able to ensure increased funding. . . .

Ryor's statement is so straightforward it needs no explanation. The real issue behind the NEA's campaign is money, and lots of it. Even if the NEA fails to achieve its goal of "one-third federal funding of public education," a Department of Education controlled by the NEA could end up costing billions of dollars. That is the issue Congress should be debating before it votes on the new cabinet office.

This is the second time Carter has submitted legislation to establish a Department of Education. Last year the measure sailed through the Senate, 72 to 11. However, it got stalled in the House and died when the 95th Congress adjourned. The NEA says it would have passed if it had been brought to a vote. This session, supporters of the new department are confident. Vice President Mondale has even promised a signing ceremony in the Rose Garden before the 96th Congress is over.

If this comes to pass, Jimmy Carter will have paid off his campaign debt to the NEA and it won't have cost him a cent. As usual in these matters, the rest of us will have to pick up the tab. □



JOHN L. HESS

What the press doesn't know about inflation

LOUIS ALTHAZAR OF LAVAL University in Québec has observed that the American media are like the Leaning Tower of Pisa: narrow and slanted. Nowhere is this more evident than in the coverage of inflation.

When a journalist seeks guidance on this question, he turns to an exclusive club of economists employed by a few banks and certified institutions. For balance, he characterizes the Republicans among them as conservatives, and the Democrats—like Arthur Okun, who helped Lyndon Johnson finance the Vietnam War with funny money—as liberals. But basically, these experts agree with one another to the decimal point. And to a man, they have missed every major turn in the economy in recent decades.

This can be frustrating. In December 1972, the *New York Times* assigned me to ask four of the most respected authorities to review the outlook for the new year. They were selected by an editor to reflect the full range of economic philosophy, from the liberal Henry Kaufman to the rightist Alan Greenspan.

The breadth of this spectrum is suggested by the fact that Dr. Kaufman was a partner in Salomon Brothers, an investment house then making piles by peddling the tax-exempt bonds of New York City, among others. Its chief was William Simon, who would leave just before that bubble burst, to head the Treasury under President Ford. Alan Greenspan, of course, became Ford's chief economic adviser.

While Simon and Greenspan were

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in Washington, the national debt soared by more than \$200 billion, a record. Back in civilian life, Simon hired a ghost and perpetrated a best seller called *A Time for Truth*, which says liberal politicians are wrecking the country by deficit spending. This caused me to observe that a time for truth is when the Republicans are out of office. As for Greenspan, when he was pressed on a recent TV panel to explain why Republicans in office didn't practice what they preached, he replied, "The relationship between ideas and action is a distant one."

In December 1972, the relationship between ideas and reality proved to be a distant one. For the setting, keep in mind that the economy was then booming, with a flood of new money pumped in by that hard-money enthusiast Arthur Burns of the Federal Reserve, in good time to help the reelection of Nixon. Things looked good that year: Prices rose only 3.4 percent under compulsory controls.

My four seers were uniformly euphoric. Indeed, I could have saved time by interviewing any one of them and multiplying by four. To my banal opening question, whither the economy in 1973, all rattled off the same happy numbers, within one percentage point, for the gross national product, the Dow-Jones industrials, interest rates, and unemployment.

"There are no financial restraints on the economy," Dr. Kaufman told me.

"It's very rare that you could be as unqualifiedly bullish as you can now," Greenspan said.

All four looked surprised when, late in each interview, I asked about inflation. All thought that was a *European* problem.

"In fact," said Albert T. Sommers of the National Conference Board, "the American analyst is comforted by it."

The thought here was that rising prices in Europe would spur American exports. The same reasoning caused the *New York Times*, exactly five years later to the day, to declare that the crash of the dollar had "been a blessing, not a curse."

Sommers, the dean of American analysts of the business cycle, assured me that the government had that cycle well in hand. "Now it's a science," he told me. By that same token, he said modestly, business forecasting had become "pretty good," and the outlook for 1973 was "very good."

Two months later, Arthur Burns's new money hit the fan. In a monetary

panic, Nixon was forced to devalue the dollar and end the last semblance of monetary stabilization. That summer, the United States entered the worst recession since the 1930s.

THERE IS NO EVIDENCE that the club of economists has learned anything from that experience, nor from the storms that have hit the republic since then. Indeed, they notoriously missed each major turn in the economy after 1973, as they had before.

Those in government service failed abysmally. During the dollar-selling panic of early 1978, European bankers were reported by the *Times* to be angrily describing the United States as "watching with a silly smile on its face." (The *Times* itself, of course, was foolishly clapping its hands.) Last September, the *Wall Street Journal* quoted "a senior policy official" in Washington as admitting, "Fundamentally, we've been wrong two years in a row."

Yet today, still, when a journalist seeks guidance on economic policy, he calls upon and cites the same club members who have proved so infallibly wrong in the past.

The same complaint has just been raised by an eminent liberal nonmember, Robert Lekachman, in the *Columbia Journalism Review* (March/April, 1979). He cited a typical analysis by Hobart Rowen in the *Washington Post*, which relied on a range of views from Arthur Okun on the "left" to William J. Fellner on the "right," and he noted "how little actually separates" the ideas of these experts.

But Lekachman's article itself scarcely went beyond our Tower of Pisa in its breadth. It urged journalists to pay more attention to the views of such dissenters as John Kenneth Galbraith. And what are these neglected views? That inflation is caused by the rigging of prices and wages by big business and big labor. And what is the cure? Compulsory control of prices and wages.

There isn't all that much difference between Galbraith's diagnosis and that of, say, Arthur Okun. Indeed, Galbraith has expressed sympathy for Okun's weird scheme for granting tax rebates to businesses and employees who do not increase prices and wages beyond set guidelines. It is a measure of the level of economic discourse today that this costly, unfair, unworkable, and inflationary plan should ac-