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Author(s): Jay Peterzell

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Jay Peterzell

Established by David Rockefeller in 1973, the Trilateral Commission brought together leaders in finance, business and politics from the advanced industrial world comprising North America, Europe and Japan. The stated purpose of the Commission is "to develop practical proposals for joint action" on issues such as energy, relations with the third world, international finance and governability at home. Carter was a member since its inception; so was Walter Mondale, Carter's Vice-President. Zbigniew Brzezinski, Carter's National Security Advisor, was its Director, and Cyrus Vance, the Secretary of State, Harold Brown, the Secretary of Defence and W Michael Blumenthal, Secretary of Trasury were members. At least nine other members of the Commission have been appointed to high office, including Paul Warnke, recently confirmed to head the US Arms Control and Disarmament Agency, and Andrew Young, US Representative at the United Nations. Clearly, members of the Trilateral Commission dominate the Executive branch of the United States government.

What does this mean? First of all, what is the Trilateral Commission? What is the nature of its link with Carter, and with his administration? What positions has the Commission taken on international and domestic issues? How likely is Carter to adhere to these policies, and how much does his Trilateral connection tell us about his future actions? This article attempts to answer some of these questions.

THE success of Jimmy Carter last year was based on an extraordinary understanding of the prevailing political climate. He managed to build an electoral coalition of liberals, labour, minorities, moderates, business, the South, the religious; in short, he said what people wanted to hear. He could appeal to such diverse interest groups and yet present a coherent, credible position by devising what was, in effect, a bipartisan rhetoric. Traditional Democratic and Republican postures had come to an impasse. The Democrats had tried to cure domestic ills through high levels of social spending, but this had come to be perceived as inflationary. The Republicans had sought to control inflation through high unemployment and low social spending, but this had led to political isolation. Carter forged the grand synthesis. His answer was to stress the appealing aspects of each alternative without the dross that had always gone with them. From the Democratic position he took a populist rhetoric that concentrated on full employment, equal opportunity, tax reform and aid to the cities — but without committing himself to the levels of spending and affirmative action this rhetoric seemed to imply. From the Republican position he took a policy of fiscal moderation, concern with inflation, balanced budgets and the size of government, and a concept of economic self-reliance — but without the conservative views on race relations, drugs and draft resistance usually associated with this position. And for everyone's sake he expressed a sense of moral outrage at corruption in government and the interference of intelligence agencies in the lives of American citizens. Thus, Carter's formula was populist rhetoric, fiscal moderation and moral indignation.

The problem with this solution to the impasse was its credibility. Are the goals of social amelioration and low inflation really compatible? Carter said they were; but he was hard to pin down on specifics. For example, he repeatedly said that his first priority was to deal with unemployment. He supported a version of the Humphrey-Hawkins bill which committed the federal government to fund whatever jobs were necessary to bring unemployment down to 3 or 4 per cent. Carter also promised to balance the budget by 1980. When asked whether he could do both at once, he said that he could. When pressed, he said he would only fund jobs to the extent consistent with balancing the budget. On the face of it he appeared to be committed to conflicting 'first priorities'. Hence the question of Carter's 'sincerity' became a recurring issue of the campaign. Columnists wrestled with the question of Carter's good faith on what amounted to religious grounds. Since no one had a convincing explanation of how Carter could solve the country's problems without spending money, it came down to this: you believed or you doubted.

This approach to Carter in terms of 'sincerity' is understandable, but it misses the point. Of course Carter was sincere — in fact, the sincerest politician to come along in years. If he weren't, how could he make contradictory commitments and make them sound convincing? It was Carter's 'sincerity', like the vagueness of his oratory, which enabled him to run a campaign in which he was all things to most of the voters, progressive and conservative, and which left the country stuttering with confusion about its new President's real intentions.

But the important question is not Carter's 'sincerity', it is what he will do; and if he has made conflicting commitments, this is a major clue to the future — it shows the constraints he is working under. After all, Carter did not devise the conflicts of his position from mere perversity; they arose from the situation of the country. The problems faced by Americans today are real and serious: presistently high rates of unemployment, a declining middle class standard of living, the entrenchment of minority groups in ghettos, crime, a deteriorating environment, etc. It is also clear that the traditional Democratic means of treating these problems — federal spending — has an unacceptable inflationary impact, unless taxes or productivity increase by more than can be expected. But the problems remain, and their solutions remain economic ones. Nixon and Ford ignored these solutions, claiming the country could not afford them. Carter cannot afford to ignore them, if only because he based his campaign on pledges to deal with the nation's problems. But he cannot spend much money on them either. The only way to extract himself from this dilemma is to go straight upwards — into morality. Certain problems can be dealt with without massive spending — for example, ecological problems, or human rights problems at home and abroad; unpopular laws such as those against marijuana or which put draft resisters in jail can be left unenforced; needless intrusions into the lives of American citizens by the CIA and the FBI can be controlled; in short, wherever progressive ends can be served without disturbing the economic *status quo*, Carter will serve them. Reforms of this nature can be significant, both for those they benefit and for the government, which desperately needs to be 'relegitimised' after the crises of Vietnam and Watergate.

We have another major clue to Carter's plans, and this time on a global scale; that is, his tie to the Trilateral Commission. Established in 1973 by David Rockefeller and Zbigniew Brzezinski, the Trilateral Commission is designed to "promote the habit of working together" on issues of common concern to the three regions — North America, Europe and Japan. It is composed of roughly two hundred "distinguished citizens", whose access to their respective governments extends to the highest levels of decision making. The North American delegation of 74 members is made up as follows: 33 are drawn from business, banking and corporate law firms; 22 are at the helm of such enterprises as Exxon, Mobil Oil, Coca-Cola, Bendix, Chase Manhattan and Bank of America; 18 are politicians, among whom are Carter, Mondale, Johan B Anderson and Robert Taft Jr; 15 are academics; four, including Leonard Woodcock (an early Carter supporter) and I W Abel, are from labour; and three are from the media, the most notable of whom is Carl Rowan. The Trilateral Commission has spelt out in a series of published reports called "The Triangle Papers". its position on both international and domestic issues.

Trilateral Commission and Developing World

The creation of the Trilateral Commission was a response to three historical developments. The first was the increasing militancy of the poorer, or 'developing' nations. Since colonial times, these nations had contributed to Western prosperity by supplying cheap and plentiful raw materials. In the past hundred years, direct colonial control was replaced by neo-colonial 'spheres of influence', which in turn had been replaced by free market arrangements between third world governments and multinational corporations. These arrangements, which in the past have been notoriously favourable to the corporations, were backed up by the military force of the corporations' home governments. Attempts by third world nations to get control of their natural resources, whether by negotiating more favorable terms or by nationalising foreign enterprises, were mightily frowned upon. But recently the balance of power has shifted somewhat in favour of these third world nations. The Arab oil embargo of 1973 and OPEC's subsequent four-fold increase in the price of oil showed that, however weak these nations might be militarily, they have considerable negative power to disrupt the flow of raw materials, thereby severely hurting Western economies. They also have the power of 'cartelisation' and sudden price hikes. Then too, the war in Vietnam showed that the Western powers' capacity for long-term armed interventions in the third world had reached definite limits, not the least of which was the strain these interventions imposed on their own economies.

The second trend is the relative shift in economic power between the US and other trilateral regions, most notably West Germany and Japan. This is due to the high rates of economic expansion in these countries since World War II. Of course, this expansion was accomplished with US support, but the fact is that they have now emerged as stiff competitors to American companies for markets and materials around the globe. In addition to the tensions resulting from this competition, relations between the US and these countries were further strained by the 'Nixon shocks' of the early seventies, in which he devaluated US currency and took significant steps toward detente with China and the USSR without prior consultations with America's allies.

Last, there is a world-wide trend toward economic stagnation, despite the partial recovery of 1976. This is both aggravated by the previous trends and aggravates them in turn. Increasing prices of raw materials from the third world drive up production costs in the Trilaterals; this leads producers to pass these increases back to the third world in the form of higher priced consumer goods, and so an inflationary spiral is generated. Competition among the Trilaterals for scarce markets aggravates the trend toward stagnation, which in turn intensifies their need to compete. In addition, something which especially concerns the Trilateral Commission is the pressure inflation puts on governments to erect trade barriers. Consumers at home want export barriers on commodities such as wheat in order to keep prices down; industries and labour want import barriers to protect themselves from foreign competition and keep prices up. But barriers at home breed barriers abroad. The end result is increased stagnation due to decreased trade; the immediate gain of individual nations works to the long-term detriment of all.

The Trilateral Commission begins its analysis by recognising these three trends. The question it asks is : how can economic expansion be achieved under these conditions ? In general terms, the Commission's answer is as follows:

These shifts of power are real and permanent, and it is dangerous not to treat them accordingly. In view of the improved position of the developing nations and the decreased capacity for armed intervention by the advanced nations, a policy of confrontation must be abandoned for one of co-operation. The third world's demands for higher commodity prices, especially depleting ones like oil, must be recognised as being legitimate. It is more important to keep the flow of raw materials secure than to keep its prices artificially low, which anyway cannot be done in the long run.

At the same time, the present trend toward increased competition among advanced nations for markets and materials in the third world must be reversed. While individual nations are tempted to make deals to their short-term advantage and exploit temporary positions of strength, the long range result of this is to destroy the basis for a unified position toward the developing world. For example, the United States is in a strong position relative to Europe and Japan on the energy front because of its large domestic reserves. But if it does not help the other trilateral regions confront OPEC it will merely create antagonisms. Hence, the trilateral nations should face the developing nations as a bloc, forming in effect an advanced-world cartel.

Specifically, the Commission proposes striking a 'new deal' with developing nations, in which the latter feel they have enough stake that they will not use their negative power for 'economic blackmail'. The advanced nations want stable prices and supplies; the developing nations want stable incomes. Both can be achieved through the creation of international buffer stocks of commodities. These would protect markets against fluctuations in supply, and provide a market for commodities when demand was short. Prices would gradually be allowed to rise to levels which developing nations perceive as being fair; in exchange, they would have to submit guarantees against nationalisation, sudden price hikes, 'cartelisation', and generally maintain a stable environment for investment. An international organisation would be set up to enforce these guarantees. This would be linked to a similar organisation whose function would be to centralise data about world commodities and match supply and demand efficiently. Export barriers would be removed wherever possible. The world would be open for international investment.

This plan has significant progressive elements. But does it accomplish what the Commission claims it does — give the developing world a fair deal ? It is favourable to the developing nations in that it recognises their right to higher prices. On the other hand, the whole point of the bargain is to make just enough concessions that these nations will relinquish their sole claim to power — their right to refuse to sell their commodities and to place unwelcome restrictions on foreign investment. The 'new deal' offered by the Trilateral Commission in effect requires the developing nations to give up the very power by which they won these concessions. In so far as the Commission represents a cartel against these nations, the effect of its bargain will be to keep prices below the levels they would reach without this bargain.

This is illustrated by the Commission's attitude to the much-discussed issue of 'indexation'. Indexation is an arrangement whereby the price of raw material exports automatically rises with increases in the price of manufactured goods the developing nations import from the advanced world. These nations argue that unless indexation is a feature of the new world order, the higher prices they receive for their exports will make no difference, since the increases will be handed back to them in the form of still higher priced finished goods and technology. The arrangement envisioned by the Commission would prohibit the developing countries from handing the increases back to the advanced nations in turn. The argument against indexation is that it leads to an inflationary spiral. Corporations in the trilateral regions will of course pass on their increased costs; if developing nations index prices to the price of imports, the process will simply keep going back and forth. Without indexation, however, the costs of this inflation will simply have to be absorbed by developing nations. Thus the issue of indexation is itself an 'index' of how seriously the new world order will treat the interests of the third world.

The Trilateral Commission rejects indexation on the ground that indexation poses insuperable problems in implementation, such as the difficulty of "determining an appropriate measure for the index and the base to which it should apply". But this is purely a technical problem; the fact is that the fundamental concern of the Commission is not the creation of an 'equitable' world order, as the Commission claims, but the safeguarding of the economic *status quo* through concessions.

Another major proposal the Commission has advanced is an ingenious plan to "recycle" OPEC funds through the poorest nations of the third world. As has often been pointed out, the quadrupling of oil prices since 1973 has brought about a steady drain of funds from all the oil-importing nations to OPEC nations. At this point these nations have more money than they know what to do with. At the same time, there is a shortage of effective demand in the trilateral regions, due in part to inflation stemming from oil prices. But the hardest hit of all are the 30 or so poorest nations of the world — India, Pakistan, parts of Africa and Latin America. These nations, which constitute a 'fourth world' in contrast to their more fortunate neighbours, contain one-quarter of the world's population. While these countries have had to pay increasingly high prices for oil, fertiliser and food, they have no major sources of foreign exchange. Unless something is done to help them, they will soon face economic disaster. Mass starvations will be a certainty; terrorism, wars and revolutions are likely; the disruption of business as usual is the least that can be expected.

The Commission argues that these countries cannot simply be written off — if not for moral reasons, then because of their importance as suppliers and markets. To save them from complete catastrophe, they must be guaranteed a two per cent rate of growth per year — modest by any standard in a world where inflation rates start at six per cent. For this, they require an additional three billion dollars in aid. But how can this money be raised? The Commission's ingenious proposal is this: the World Bank will borrow the funds from OPEC nations at the going rate of eight per cent interest, and lend it to the 'fourth world' for long periods at three per cent. The five per cent difference will be subsidised by a separate fund amounting to $ 900 million a year. Two-thirds of this interest subsidy would be provided by the Trilateral nations, and one-third by OPEC itself. (In effect, OPEC will be partially subsidising its own interest payments; its final rate of return would therefore come to 6.33 per cent, not eight per cent.)

The scheme has a lot going for it, and was partially put into effect by the World Bank in July 1975. As proposed it has only one thing wrong with it: OPEC has nothing to gain by it except goodwill. It is asked to subsidise the trilateral economies, lend money below prevailing interest rates, and share the glory of giving aid to its poorer cousins. Recognising this problem, the Commission proposed that the World Bank and the IMF should let OPEC increase its voting rights in those organisations, which was only five per cent, to between 15 and 20 per cent. This would better reflect their new status as a major economic force. But the Commission report is careful to point out that even "a 15-20 per cent OPEC voting share would not fundamentally alter the balance of power in the Bank's Executive Board; the Trilateral countries would still have over half the votes". Clearly, this redivision of voting rights is more symbol than substance.

But there is still something puzzling about this intricate Trilateral scheme. Most of the Commission's work is quite general; it tends to focus on long-term economic trends and to offer broad remedies — Trilateral co-operation, international commodity regulation, etc. But the OPEC proposal is strikingly specific. It was renegotiated several times in different versions, and has already been put into effect. All of which suggests an urgency, perhaps even a motive, which is somewhat more pressing than a long-term interest in economic order.

The Commission's literature does not mention the fact that the third world's foreign exchange crisis directly threatens multinational banks in the Trilateral world. These institutions (among them Rockefeller's own Chase Manhattan) have made over $ 50 million in loans to these countries. Where will the money to pay these debts come from? These poorest of the poor nations are by no means recovering economically. They will not only be unable to meet their payment schedules; they will need still more credits just to slow down their economic decline. Unless their creditors can 'get out from under' these shaky debts, (e g, in the form of long-term, low interest loans through the World Bank) they will face extremely unpleasant consequences. In fact, default would be a major disaster. It would not only cripple the institutions involved; it would threaten all forms of investment in the third world, which in turn could result in world depression.

Perhaps this is the secret behind the Commission's choice of wording when it points out that these countries cannot be "written off". Luckily, however, a refinancing plan like the one outlined has already been proposed and put into action by the Trilateral Commission. But we have to assume that most of the funds the 'fourth world' receives under this arrangement are already earmarked for debt service to the Trilateral banks. It is true that these countries need the funds; but the bulk of the money will not be used to feed the starving or for goods and technology from the advanced world; it will not create jobs; but it will save the skins of Chase Manhattan, Citibank, and other multinational banks. Once again, it seems the Commission's strategy is to create an economic structure in which the developing nations feel they have enough stake to remain a part of it, while leaving the structure of the present *status quo* unaltered.

Domestic Policy

The Trilateral Commission frankly admit that the bargain it proposes to strike with the developing world will be at some expense to the Trilateral regions. It will involve a redistribution of jobs to the developing countries — a plan the Commission expects will meet with a certain amount of resistance at home. "Evidence of resistance can be found in the difficulty that industrial nations are having adjusting to changing economic conditions generated within their own economies — an important factor in the high inflation rates being observed in these nations simultaneously with high rates of unemployment." While this statement is a little opaque, what says is quite revealing. The cause of inflation which is simultaneous with high unemployment (an anomaly for orthodox economic thinking) is laid at the doorstep of labour, which has 'difficulty in adjusting' to wage cuts and layoffs. It is 'resisting' the export of jobs, and is unwilling to make the appropriate sacrifices to bring down the rate of inflation.

The Commission concedes that its attempt to insure the stability and continued expansion (profitability) of Western economies will be at the expense of workers at home. On the other hand, we have seen that its plan for a new world order is less concerned with equitable distribution of wealth than with recognising a shift of power which has already occurred and with containing this power by means of concessions. But if the Commission's plans are not for the benefit of people at home or nations abroad, who are they for? What did Carter mean in his Inaugural Address when he spoke of "individual sacrifice for the common good"?

Actually, this exporting of jobs is not due to striking a "new deal" with the developing countries — something which is only happening now. On the contrary, it is an essential feature of the old deal, and the investment patterns of so-called multinational corporations. As Richard J Barnet and Ronald E Muller show in their recent book "Global Reach", these conglomerates have increasingly gone overseas to start new enterprises. By 1972, 25 c out of every US dollar was invested abroad. It is not the search for a new world order but the search for cheap labour that has depleted the industrial job market at home. In fact Richard Falk, writing in the *Yale Law Journal* (April 1975), considerably before Carter came to national prominence, states that "the vistas of the Trilateral Commission can be understood as the ideological perspective representing the transnational outlook of the multinational corporation". He contrasts this model for the world ("Transnational geo-economic") with Kissinger's model of superpower balance ("Great Power geo-political"). Although he praises neither one, Falk points out that the Trilateral Commission's model of transnational corporate regulation is intrinsically less dependent on the well-being of domestic constituencies. Its goal is economic expansion. And whatever justifications are offered, the stock-in-trade of corporate expansion is cheap commodities, cheap labour, and whatever technological and political means are required to keep both in abundant supply.

Let the Commission speak for itself. It has spelt out its domestic position at length in Triangle Paper, Number 8, a book length analysis of the present situation of governments in the Trilateral regions, entitled "The Crisis of Democracy" (1975). This analysis, and especially the chapter on the United States by Samuel P Huntington, yields some extremely interesting results.

The authors of this report start off by saying that in the quarter century after World War II, Western democracies experienced a period of exuberant health, made possible by the vigorous economic 'boom' enjoyed throughout the Trilateral regions. They were characterised by broad participation and consensus in politics, the amelioration of social ills, decreasing class conflicts, and successful resistance to the threat of communism, both from within and from outside. However, in the past ten years all this has been threatened — as has the viability of democracy itself. The threats to democracy have been broken down by the authors into three categories.

First are the threats which they see as extrinsic to the workings of democracy. These include inflation, monetary instability, commodity shortages, and so on — in other words, the issues which concern the Trilateral Commission.

There are also social threats. In the past, democracies have been 'socially' threatened by racial and ethnic hatred; by extreme concentration of wealth; by fascist movements, and by communism. At present the major threat to democracy is the emergence of "value-oriented intellectuals" who "assert their disgust with the corruption, materialism, and inefficiency of democracy and with the subservience of democratic government to 'monopoly capitalism'". The authors go on to state that "this development constitutes a challenge to democratic government which is, potentially at least, as serious as those posed in the past by the aristocratic cliques, fascist movements, and communist parties".

In addition to the atrocities of these intellectuals, the authors cite a third type of threat to democracy. This is what they call "the distemper of democracy". This threat, which dominates their analysis, stems from an intrinsic paradox of democracy: the more 'democratically' a government satisfies demands from its constituency, the more demands that constituency generates. Eventually these demands overwhelm the government's ability to respond to them. The results are: (1) a breakdown of social control; (2) the delegitimisation of authority; and (3) an overload of demands for government services. In other words, as democracy increases, 'governability' declines. This is the central dilemma of the democratic Trilateral societies.

How has this threat of democracy developed in America?

The picture painted by the Commission's report is that there was a "democratic surge" in the US in the sixties. While voting steadily decreased throughout the decade, participation in campaigns increased. Minorities and various citizens' groups demanded "opportunities, positions, rewards, and privileges, which they had not considered themselves entitled to before". Government spending for education and welfare expanded enormously. But along with this expansion of services went an unprecedented decrease in governmental authority. "By the early 1970s Americans were progressively demanding and receiving more benefits from their government and yet having less confidence in their government than they had a decade before." This was because a steadily increasing standard of living had raised Americans' expectation to the point where they felt it was intolerable if those expectations went unsatisfied.

This is the crux of Huntington's argument. Before going on to see what further conclusions he draws from it, several things should be pointed out. Throughout his report Huntington assumes that the increase in governmental services and the decrease in governmental authority form a single trend, the two inextricably twined together by the mechanism of 'increased expectations'. Nowhere does he attribute decreasing respect for government to public outrage over the war in Vietnam and the government's lack of response to that outrage. Nor does he attribute it to the abuses of power revealed by Watergate (in fact, he says Nixon was "forced out because of opposition to him personally"). Nor does he mention the steady cuts in government services, affirmative action and education funding throughout the Nixon-Ford years. Vietnam and Watergate are mentioned perfunctorily towards the end of his chapter as aggravating influences; but the root cause of public disillusionment is consistently traced to unrealistic expectations encouraged by government spending.

Huntington backs up the economic side of his argument by contrasting the "defence shift" of the fifties with the "welfare shift" of the sixties. In the first period, 36 per cent of the increase in government spending went to defence, while welfare declined as a proportion of the budget. But between 1960 and 1971 only 15 per cent of the increase went to defence, while a whopping 84 per cent went to domestic programmes. Huntington's conclusion is that the "welfare shift" imposed intolerable inflationary burdens on the economy while merely enlarging the public's insatiable appetite for massive doses of government funds.

These conclusions are not supported by his own data. It is true that domestic spending increased enormously in the sixties. But surely, not all of the 84 per cent increase in public spending can be reasonably attributed to a "welfare shift". So two questions must be asked: Was the portion of this spending which really did go to welfare and income maintenance a luxury or a necessity? Secondly, do the facts justify calling these increases a *welfare* shift?

As for the first question: In 1960 the Conference on Economic Progress issued a report which, using US Department of Labour statistics, showed that roughly one-fifth of the US population lived below the officially defined poverty level, and that another fifth lived in conditions of "economic deprivation". At the present time, if all forms of government income assistance payments were stopped, one-quarter of the American people would live below the poverty level. Hence, while domestic spending has increased enormously, these increases have not been out of sheer caprice.

Secondly: Have the increases in domestic spending really been a welfare shift? Huntington's figures for the years 1950, 1960 and 1972 show that defence spending rose from 26 to 31 per cent, then fell to 20 per cent of government spending. (Expressed as a percentage of federal spending alone, the figures rose from 44 to 53 per cent, then fell to 37 per cent.) Welfare payments for the same years fell from four to three per cent, then rose to six per cent. So the "welfare shift" really amounts to a rise from four to six per cent of government spending between 1950 and 1972.

The report goes on to elaborate several effects of the democratic surge and consequent decline of authority. The first of these was the crippling of the presidency. "During the 1960s", Huntington writes, "the balance of power between government and opposition shifted significantly. The central governing institution, the presidency, declined in power; institutions playing opposition roles in the system, most notably the national media and Congress, significantly increased their power .... Probably no development of the 1960s and 1970s has greater import for the future of American politics than the decline in the authority, status, influence, and effectiveness of the presidency." An unusual sentiment after the the 'imperial presidency' of Johnson and five and a half years of Richard Nixon, who dominated a Congress not controlled by his party, and so successfully jangled the nerves of the press that they treated him with kid gloves until his own felonious conduct caught up with him. As evidence of Congress' domination over the Executive, Huntington cites the War Powers Act and legislation to control presidential impoundment of funds appropriated by Congress — both of which were enacted only after massive and chronic presidential abuse. The report reiterates its distrust of democratic institutions by identifying the Presidency with "government", and the more broadly-based Congress with the "opposition".

Perhaps the most interesting feature of the Commission's report is its evaluation of the breakdown of party politics in America. Decreased voting and party affiliation on the one hand, and increasing ideological polarisation on the other, resulted in a tendency in American politics towards third party candidacies, ticket-splitting, and issue oriented rather than party line candidates. The alienation of voters from government encouraged candidates to adopt an 'outsider' image. In a most prophetic manner, the report (written in 1974-75) concludes that "the lesson of the 1960s was that the American political parties were extraordinarily open and vulnerable organisations, in the sense that they could be easily penetrated, and even captured, by highly motivated and well-organised groups with a cause and a candidate".

But while the electoral process has been opened up by the fragmentation of consensus, the process of governing has become more complex. "Indeed, once he is elected president", the report suggests, "the president's electoral coalition has, in a sense, served its purpose. The day after his election the size of his majority is almost — if not entirely — irrelevant to his ability to govern the country." The implications of this are spelled out even more clearly later: "The governing coalition need have little relation to the electoral coalition." What does this mean if not an extreme pragmatism — to the point of divorce — in the relation between promises of a campaign and the obligation to fulfil them ?

The Commission concludes with several recommendations. In the sixties, governments were able to buy their way out of the 'distemper of democracy' with the 'easy answer' of inflation; but that time has passed. Al Smith once remarked that "the only cure for the evils of democracy is more democracy". The Trilateral Commission feels differently. What is needed is "a greater degree of moderation in democracy".

In practical terms, this has several implications, though their applications are left somewhat vague. First of all, "technocratic" control should be substituted for democratic control in areas such as education and budgeting priorities. For example, if liberal arts education as we know it continues to exist, it should be divorced from the job market.

Since "the effective operation of a democratic political system usually requires some measure of apathy and non-involvement on the part of some individuals and groups", the increased involvement in the system of previously marginal groups implies the need for self-restraint and sacrifices on the part of all.

The balance of power needs to be shifted back to the presidency. At the same time, government desperately needs to be relegitimised. Limits on the power of the media must be worked out which enable the government to control information vital to its functioning.

Above all, a high rate of economic growth must be the top priority if democracy is to remain a viable form of government.

On Democracy

Before concluding this review of the Commission's domestic policies, several things should be said about its analysis of democracy.

First, there is another possible interpretation of the 'delegitimisation of authority' and 'overload of demands on government' than the one put forth in the Commission's report. The assumption held throughout the report is that an insatiable public has increased its demands to the breaking point. But there is another variable involved: government's willingness or ability to satisfy those demands. Perhaps claims on government have increased, but by and large they are not just 'demands', but needs — for food and housing, for jobs, for escape from ghettos, for a decent standard of living. Does the United States have the economic capacity to meet these needs? In a country as rich as the US where (according to the *New York Times*) one per cent of the population own a quarter of the wealth, and six per cent own over half the wealth, there is only one answer: yes. But is there the political will to meet these needs? The answer — certainly the Trilateral Commission's answer — is: no. Instead, we are told that "more is not necessarily better", and that we have to learn to make "individual sacrifices for the common good".

Secondly, the Commission's report claims that democracy and governability are intrinsically and always in conflict. While this may be true in the extreme case, there is a vast area in which they are compatible. If, within this area, increased democracy creates an extreme crisis of authority, then one has to ask: whose authority? Of the government *per se* or of a government which has itself come in conflict with the needs and aspirations of its people?

Thirdly, the Commission's analysis of democracy uses a 'systems analysis' approach. "Democracy" and "governability" are treated as abstract variables interacting in a closed field. Influences from 'outside' this abstract field such as Vietnam, Watergate, the Nixon-Ford policy of cutting government services, and the influence of vested interests are all ignored in favour of abstract reflections on the nature of democracy. The result is a specious mechanical interaction between 'demands' and 'the system' which misinterprets the last 25 years of American history in order to make its point.

Nature of Trilateral Link

How strong is the link between Carter's administration and the Trilateral Commission? The Trilateral Commission is by no means the only influence Carter has to respond to; he must deal with a Congress which is both more liberal and more susceptible to special interest groups than he is, hang on to his "electoral constituency", reassure domestic business, and so forth. But there is much to suggest that his administration will follow the basic path outlined by the Trilateral Commission. The primary indicator, of course, is the sheer preponderance of Commission members in top positions of the government.

In his autobiography "Why Not The Best?", Carter calls his membership in the Trilateral Commission a "splendid learning opportunity". No doubt it was. But the statement is also misleading us if it gives the impression that Carter just cooled his heels in the back row of this organisation. In fact, the Commission's 'First Annual Progress Report', issued in August of 1974, singles Carter out as being "especially helpful in circulating information about the Commission, and in reflecting the ideas generated by the Task Forces and at Commission meetings....For example", it continues, "one North American member, Governor Carter of Georgia, is distributing some 400 task reports to Democratic candidates for office in the 1974 United States elections".

Clearly Carter's commitment to Trilateral policies is strong — not to mention the strength of his indebtedness. For Carter's membership in the Commission was something more than a "learning opportunity". First of all it was a means for him to gain entrance to powerful foreign policy circles; and second, for him to project himself to prominence in the Democratic party as the representative of these circles — that is, of the Trilateral Commission. What does this commitment mean for the future?

There is no way of knowing beforehand to what extent Carter will serve the Trilateral Commission. But we do know that it will be significant — and we do know what this service consists of. The overt purpose of the Commission was to form a consensus of international business and financial interests, the institutional form of which is the multinational enterprise (MNE). This consensus can be summed up as follows: *Trilateral countries must work together to contain and stabilise third world demands; and to control dissent at home, where workers and the poor will subsidise this 'new deal' by accepting increasing unemployment and austerity.* If this is a fair statement of the Commission's policy and its implications, it means that a 'Trilateral' administration like Carter's comes to office already explicitly aware of the conflict between America's domestic and Trilateral interests — and already committed to the latter.

The Commission's seemingly impolitic call for less democratic control of government has to be seen in the light of this conflict. Jobs abroad must be paid for with unemployment at home; the flow of international trade must be paid for with increased competition at home between US and foreign manufacture, although this is bad for domestic business and depresses domestic wages; the system has to be 'relegitimised'; but without raising expectations. In this rhetoric the investment patterns of the MNEs, which for years have been increasingly international — and with disastrous result for the cheap labour havens which receive this investment — are presented instead as an imperative of the moment. A mechanism which has made vast contributions to global misery and economic disequilibrium is now recast as a panacea for those very ills, with one difference: this time around the 'cure' will be co-ordinated on a worldwide scale.

As for Carter, it appears that his main selling point as a candidate — his apparent freedom from political debt — was really just a relative freedom from debt to certain traditional domestic groups. But politics does not tolerate a vacuum. If Carter has fewer domestic debts he is all the more a creature of his international ones. He is really America's first international president. (Indeed, his race against Ford might be seen, if in somewhat oversimple terms, as a struggle between international and domestic business for control of the Executive.) To the extent that the Trilateral Commission represents the interests of a smoothly functioning system of world capitalism, it may be able to stand up against excesses by particular groups within that system. This, together with the Commission's concern with 'relegitimising' the system, represents a liberal strain in its ideology which may leave some space for progressive change. But the explicit statements of the Commission — not to mention its very success as an organisation — would seem to limit changes of this sort to cosmetic reforms. The keynote, as always, is corporate control.

Perhaps none of this is very dramatic; there are no smoking guns. The Trilateral Commission does not represent a radical departure; it is just the latest step toward the worldwide unification of capitalism in an environment of increasing resistance. Its emergence into Executive power is not a coup; it is a consolidation. It points America in the direction of leadership in world corporate government. Its game-plan is distinctly non-democratic. Perhaps the Commission is no more than it claims to be: an inner circle of elite technocrats and financial power-brokers who seek to make the world better for all of us. But as conflicts arise between the democratic interests of the American people and the corporate interest of the Trilateral Commission, at least we will see where Carter's loyalties lie.