

## CHAPTER VIII

# Political Parties

### Origin of the Party System

Political parties are indispensable for the working of a democratic government. Without them, says MacIver, "there can be no unified statement of principle, no orderly evolution of policy, no regular resort to the constitutional device of parliamentary elections nor of course any of the recognized institutions by means of which a party seeks to gain or to maintain power." If there are no parties, politics would be a sheer babel of tongues and the power of the people, termed as popular sovereignty, would dissipate itself into numberless channels and become quite ineffective and futile. A disorganised mass of people can neither formulate principles nor can they agree on policy and the obvious result is complete chaos. Political parties provide necessary leadership and direct reservoir of popular sovereignty. They bring order out of chaos by putting before the people for what they stand and educate them with their programmes. The people approve the programme of a party which they deem best and return it to power. The party returned in majority forms the Government and pursues its programme vigorously. The primary business of a political party is, in brief, to educate the electorate and mould the public opinion, to win elections and to form the government.

But the men who framed the American Constitution shared the common opinion that political parties were highly detrimental to national solidarity as they encouraged strife, division, chicanery, and personal manipulation. Planning as the Fathers were for the United States as a whole, they sought to provide a mechanism of government which would be free from all "violence of the faction," as Madison called it. They apprehended that their young republic, too, might meet the fate of the republics of the ancient world and of medieval Italy, if the system of government they were establishing permitted the growth of factitious spirit. The Philadelphia Convention had, therefore, to transcend party and the device of division of powers and the system of checks and balances were designed, among

other objects, to prevent party domination, no matter how noble its purpose be.

Yet, within a few years of the career of the Union, party divisions and party spirit were sufficiently evident. In fact, hardly had Washington taken the oath of office that he noticed the signs of an emerging party split. To give "the fledgling government" a sense of unity and to rise above faction and party, Washington included both Alexander Hamilton, the leading federalist, and Thomas Jefferson, the most influential anti-federalist, in his Cabinet. But Jefferson resigned as Secretary of State in Washington's second administration to devote full time to the job of welding together a great party following. Washington deplored the emerging state of affairs and in his Farewell Address he warned his countrymen against "the common and continuous mischief of the spirit of party are sufficient to make it the interest and duty of a wise people to discourage and restrain it. It serves always to distract the public councils and enfeeble the public administration. It agitates the community with ill-founded jealousies and false alarms, kindles the animosity of one part against another....." But Washington was no political philosopher and he did not see the inevitability of partisanship. In the Presidential election of 1796, the third under the Union and the first in which Washington was not a candidate, there were two national parties, one supporting John Adams and the other supporting Thomas Jefferson. By 1800 the party system had settled itself quite firmly in the government, even to the extent of necessitating the addition of the Twelfth Amendment so as to make the Electoral College method workable.

It scarcely need be added that since that time political parties have played a very vigorous role in the United States. Sometimes they have been more vigorous than others. National emergency may cause their temporary eclipse or an independent President may be able to transcend them for a time, but the party system has never received a setback. It has grown from generation to generation, and today this extra-constitutional growth forms the hub of the political life of the

nation. "But for the appearance of a national party system," as Professor Brogan realistically points out, "the election of a President really enough of a national figure to carry out his duties, might have been impossible. And it is certain that the greatest breakdown of the American constitutional system, the Civil War, came only when the party system collapsed."<sup>1</sup>

### Basis of American Party System

The basis of the American party system is not the same with which political parties are traditionally associated. "American parties have never been bodies of men united on some general principles of government and united to put these principles into concrete form by legislation and administration." The line of division in the Philadelphia Convention was between large and small States with slavery issue looming large in the background. It was in interests and reactions of an economic and sectional nature that the parties started on their career in early years of the republic. The Federalist party relied upon the commercial, financial and industrial elements of the New England and the Middle States, whereas the backbone of Jefferson's Party were agrarian interests, planters and farmers, of the South and rural North.

Both Hamilton and Jefferson were genuinely prompted by their keen desire to build a strong, vigorous and free nation and they concentrated their best energies in achieving that virtuous purpose. But "each had a distinctive road to strength, vigour and freedom." Hamilton believed in a strong Federal Government and he attempted to build it, enjoying an advantageous position as Washington's Secretary of the Treasury, on real and sound financial basis. He caused the national bank to be founded, passed excise taxes and extended in general the authority of the national government within the framework of the Constitution in order to make the people of the United States feel that they really made a nation and the national government represented the nation; it was no confederation of States.

Thomas Jefferson took a serious objection to Hamilton's methods and there was a rift in the Cabinet. Jefferson resigned and devoted his political talents to building a party to combat "Hamiltonians," as Hamilton and his followers came to be nicknamed. Jefferson's irritation was that all the measures of the government are

directed to strengthen the mercantile class without any consideration of the interest of the yeomanry. Devoted as he was to the ideal of an agrarian democracy, he concluded that whole Federalist programme would result into the creation of an oligarchy, the rule of the propertied few in the interests of a propertied few. He could think of no other means to remedy it, except to plead for State rights and a narrow construction of the constitutional powers of the Central Government.

It may appear rather confusing that Jackson, Polk, Cleveland, Wilson and Franklin Roosevelt differed from the founder of their party and depended on the extension of the authority of the national government and a broad interpretation of the Constitution. But Jefferson's attitude of mind cannot be divorced from the context of the "extra-political conditions of the early days". The lack of communication and transport, the provincial values, the absence of a national spirit and of an identity of the people with the new nation, all these factors retarded the growth of national sentiments and the Central Government being regarded as the custodian of the interests of the nation. Jefferson, consequently, felt that only by reserving a great body of rights solely to the States could mean protection of the interests of the people. "There was, therefore, no essential contradiction in his historic position as the founder of the Democratic Party and his overt defence of state rights against national encroachment."<sup>2</sup>

The two great American parties were and are combination of interests and their strength is local. Roughly speaking, United States may today be divided into four groups. The manufacturing North-Eastern group is in the main Republican; the agricultural south is overwhelmingly Democratic. The support of the central farming States is sought by both the parties. Another development of the present century is the political importance of the still mainly agricultural and grazing but rapidly industrialising West. It is the constant endeavour of both the parties to go beyond their citadels of strength and secure the support of either of the two uncertain groups, or preferably both. These two groups are, in fact, the determining factors of Presidential and Congressional majorities and to enable the Republican and the Democrats to bank upon their support

1. Brogan, D. W., *An Introduction to American Politics*, p. 45.

2. Tourtelot, A. B., *An Anatomy of American Politics*, p. 168.

means a high degree of political organization. But so long as North remains Republican and South Democratic, locality will continue to embrace the party politics of the country.

### The Two-Party System

Throughout its history the United States had, barring a few minor parties, two major political parties. Various explanations for such a development have been offered. First, the people belonging to the English-speaking countries are less doctrinaire and more inclined to compromise. Second, the problems of race, nationality and religion are not so prominent to divide them into different factions as compared with Continental countries of Europe. Third, the two-party system is a legacy of the Colonial regime and it has since then perpetuated. Fourth, the two-party system is the consequence of the American voting system, especially the Electoral College and the single member district plan of electing legislative representatives. It is true that the electoral method of electing the President would be very undemocratic if a strong third party should emerge. If no majority wins in the Electoral College, the House of Representatives elects the Chief Executive head of the State from the highest three, each State casting one vote. The single member district scheme of electing representative also discourages the development of minor parties.

Two-party system has certain important results. Under the parliamentary system, one party which carries the mandate of the electorate forms the government and with its legislative majority has the power to carry out that mandate. But under the presidential system, the separation of powers, upon which hinges the framework of government may, occasionally create conditions of deadlock between the Executive and Legislative departments, though normally it results in a situation where the President has a Congressional majority of his own party. In the event of joint Congressional majority being of one party and the President of another, the nation suffers because of the friction and critical role which both play. During the last two years of Truman's first administration, the Republican Congress enacted legislation not liked by the President and President Truman spent a good deal of time criticising it. At the same time, the President was conducting the government through the execution of his constitutional and statutory functions and Congress spent a good deal of time criticising him. A

more piquant situation arises when the Senate is of one party and the House of Representatives of another and the President necessarily divided in his attitude towards Congress.

Under the two-party system the parties become moderate and compromising bodies highly sensitive of their responsibility. Each party endeavours to rally round as many interests as it possibly can to win power. And as each party is at all times either the government or the opposition it remains in touch with realities and can ill-afford to make wild and irresponsible statements of policy. Finally, multiple party system would make continued functioning of the electoral college virtually impossible.

It does not, however, mean that minor parties have never existed in the United States. From early times, dissatisfied elements have launched "third" parties; totalling at least a score. But the one redeeming feature is that third parties have come and gone and during the last 150 years none except the Republican Party has ever gained sufficient strength to displace an existing major party. Several times minor party candidates for the Presidency have polled sufficient votes to hold the balance of power between the two majors, but they have been unable to keep their separate identity or strength for long. On six different occasions since Civil War, third parties have played respectable roles and the most recent one was that of Robert M. La Follette, the progressive candidate for Presidency in 1924, who polled  $4\frac{1}{2}$  million votes.

The role of the minor parties in the American politics cannot be discounted.<sup>3</sup> They are generally the innovators of policy, if not holders of office. "The old parties have not hesitated to take plank after plank from Populists, Greenbackers, Socialists, and Progressives and install them in their own platforms." Minor parties are almost invariably radical than the old line organisations and much of what these left-wing parties advocated two or three decades ago may be found in the Democratic and Republican platforms of today. There may not be a future for the third parties in the United States, but those who promote them have the satisfaction to see their programmes, for which they worked, become the law of the land under the auspices of old parties.

## HISTORY OF AMERICAN PARTIES

### The Democratic Party

The Democratic Party is nearabout two

3. For the influence of third parties, see John D. Hicks, *The Third Party Tradition in American Politics*.

century old and was established under the leadership of Thomas Jefferson during Washington's administration. Known under various names, including Anti-federalists, Republicans, Democratic Republicans, and Democratic, the party has survived under the most difficult circumstances. Early in history it took a stand against protected tariffs, ship subsidies, imperialism, and the extension of the powers of the national government through "constructions" of the Constitution. Its historic centre of gravity was long in the agricultural interests of the country, although a large proportion of importing merchants and urban mechanics were soon brought into its fold. After the extinction of the Federalist Party around 1816, the Democratic Party enjoyed a period of virtual political supremacy. During the Jacksonian era, however, considerable split appeared and the party now known as Democratic soon faced a formidable Whig opponent. It receded to opposition after the Civil War and continued a minority for decades together, but at intervals spirited up with vigour in Congress and captured the Presidency twice with Grover Cleveland, twice with Woodrow Wilson, and four times with Franklin D. Roosevelt. John F. Kennedy occupied the White House with a comfortable Congressional majority of his Party and Lyndon Johnson in the 1964 election secured the biggest, popular majority in the United States history. Jimmy Carter unseated in 1976 Gerald Ford, a personally popular President, but in 1980 he lost to Ronald Reagan. Republican Reagan again winning in 1984. A noticeable trend is that a greater proportion of young and new voters support Republican candidates. It is also apparent that the more education a person has the more likely he is to support Republican candidates. Jimmy Carter, who became the 48th President, had a solid backing of Southern States but Virginia. The rest of America's States were divided between the two candidates. Carter defeated President Gerald Ford. Ford was the first incumbent President to be turned out of office since President Herbert Hoover's bid for re-election during the 1932 economic depression. Jimmy Carter was also defeated in 1980. He was the first President from the more rural and more impoverished South since President Zachary Taylor's election in 1848.

### The Republican Party

The Republican party of today is in essence successor of two earlier major parties. The Fed-

eralist Party led by Hamilton, which had championed strong national government and a liberal construction of the Constitution, had expired after making tactical errors during the War of 1812. It appeared first as National Republican and then Whig during Jackson's time. The Republican Party was founded in 1854 and nominated John C. Fremont as Presidential candidate in 1856. It took a strong stand on slavery. Fremont lost to a Democratic coalition still strong enough to win. Four years later Lincoln gained victory on a Republican platform that proposed abolition of slavery and favoured internal improvements including a "satisfactory homestead measure for farmers," and "liberal wages for working men and mechanics." From 1860 down to 1913, it controlled the Executive department of government continuously with exception of eight years when Grover Cleveland was President (1885-1889; 1893-1897). It was, however, not a smooth sailing for the party. It suffered from the exposure of the corruption during Grant's administration. It was also shaken by internal divisions "between East and West, between conservative businessmen and not-so-conservative farmers and workers, between reform-minded Liberal Republicans and stand-patters, between party regulars (Stalwarts) and not-so-conservative farmers and workers, between many different combinations of these." In spite of these divisions and shakings, the party could stand abreast and succeed, "because by design or by chance" its leaders "could assuage the different elements." William McKinley saved the party from collapse when important labour and rural elements were on the verge of deserting the party towards the end of the century. When in the following years reformists against the conservatism of the party policy, Theodore Roosevelt, a progressive Republican, reoriented the party's appeal.

The Republican party capitalised upon the popularity of a military hero, Dwight D. Eisenhower to win the Presidency in 1952, and to retain it in the election of 1956, despite a Democratic victory both in the Senate and the House of Representatives. The Democratic Party lost the Presidency in the election of 1960. The Party itself was badly divided over the policy towards the war in Vietnam. "Waste, overlapping programmes, and rank inefficiency had caused the public to be disillusioned with President Johnson's Great Society and alleged war on poverty." Richard M. Nixon won the Presidency in 1968 and retained it in 1972. But his ouster as

a result of Water-gate Scandal brought the party to disrepute. The Party came back to White House with Ronald Reagan in the 1980 election. He was re-elected in 1984 to be followed by George Bush in 1988, his Vice-President.

The party has stood for a liberal interpretation of the Constitution, especially those parts relating to the powers of the national government, and has shown less sympathy than the Democratic Party for the rights of the States. It is the champion of the protective tariffs, of internal improvements under federal auspices, of colonial expansion, liberal pensions for veterans, subventions for the merchant marine, Negro suffrage, and gold monetary standard.

### Features of the Party System

One of the most significant features of the American political parties is their decentralization. Although the Republican and the Democratic parties are two national parties, much of the power in the party system is concentrated in the State capitals and rooted organizationally in the county and municipal levels. Apart from the selection of Presidential and Vice-Presidential nominees and the preparation of national platforms, the Party's central agencies are virtually powerless. Control remains with State and local leadership in conducting the campaign and in deciding upon candidates for office. "A sense of discipline to higher authority is almost unknown, and, if pressed, doubtless would be met by indignation and resistance on the part of the local units concerned."<sup>4</sup> Professor Key says that the national party is little more than "gathering of sovereigns (or their emissaries) to negotiate and treat with each other."<sup>5</sup>

There is, however, evidence of a counter-trend in the direction of a greater concentration of power and this is essentially due to the centripetal tendencies of a modern government. This is a universal phenomenon and American party system cannot escape therefrom. For example, the Presidential party increasingly has come to be identified as national in outlook no matter whether the occupant of the White House is a Republican or a Democrat. On the other hand, localism still remains strong in the Congressional party. The result is a wide gap between the President and Congress in the formulation of policy. But the reality is otherwise. The two wings of the

party are not so sharply divided due to the "nationalisation" of politics and if this process continues the sectionalism is sure to disappear from the American party system.

Another important characteristic of the American parties is their reluctance to become tied to any rigid ideological doctrine. The party division is rather blurred and no distinct line of demarcation can be drawn to separate their programmes. Agriculture is not now the predominant occupation of the Americans, and the greater part of the annual wealth does not come from the soil. Large sections of the Middle West and the South, once the strongholds of agrarian democracy, have become industrialised and there is a corresponding change in the attitude of the people. Their needs have also changed and so they look towards government with changed spectacles. Then, the interests of industry, trade and agriculture overlap and dovetail in many ways. There can be no divorce between them. Within industry itself there is a sharp difference and different points of views are put forward to remedy their disabilities. For example, automobile and allied industries are not inclined to protective tariffs; investors of capital abroad and bankers favour low tariffs.

These complexities in the economic life of the country have made the Democrats to shift to new grounds. They have abandoned their old slogan to "tariff for revenue only" and stand for protection, if somewhat modified by reciprocal trade agreements. The Republicans, too, extend considerable support to this programme. The result is, as Professor Beard says, "that the cleavage between the right and left wings of each is greater than the gulf between the parties themselves, especially in the Senate where agrarian states have a disproportionate weight."<sup>6</sup>

James Bryce, after a deep study of the American system, observed that these two great parties were like two bottles. Each bore a label denoting the kind of liquor it contained, but both were empty. It is not true, according to Beard, "that the two parties are exactly identical except as to their labels."<sup>7</sup> There are two important facts to be observed in this connection. The first is, loyalty to tradition which makes the strongholds of both the parties to continue in their support to the parties concerned. Secondly, the old senti-

4. Barker, Benjamin and Fiedelbaum, Stanley, H., *Government in the United States*, p. 147.

5. Key, V.O., *Politics, Parties and Pressure Groups*, p. 363.

6. Beard, C. A., *American Government and Politics*, p. 67.

7. *Ibid.*, p. 68.

ments and opinions still determine the attitude of different interests and characterise the divisions among the voters. This can be illustrated by a sample poll taken by the American Institute of Public Opinion and cited by Professor Charles Beard. According to this sample poll the Democratic candidate, President Roosevelt, "received 28 per cent of the votes in the upper income group of citizens, 53 per cent in the middle income group, and 69 per cent in the lower income group, while his Republican opponent, Wendell Wilkie, received 72 per cent of the votes in the upper group, 47 per cent in the middle group, and 31 per cent in the lower group." A similar poll was again taken in 1943 and identical results were obtained, except for some minor changes in the percentages.

To sum up, the major parties in the United States are deep-rooted in capitalism. The only difference between the two is that the Republicans think that the more government leaves capitalism alone the more it flourishes. The Democrats maintain that unless capitalism is con-

stantly adjusted to social, technological and economic changes, it may perish of its own inflexibility. In international politics the Democrats play the "strange role of the party of nationalism, strong armies and navies, international intervention and war leaving to the Republicans—at any rate for the time being—the less glamorous and rather unfamiliar role of advocating caution, restraint and even isolationism." But Reagan and George Bush disproved it.

An important feature of the American party system is its non-ideological character. In Europe, parties are organised on ideological basis where conservative parties support capitalism and labour, socialist and communist parties criticise capitalism and propose various degrees of reform in the social system. In America, there has been no labour, socialist or communist party of any national relevance. Both the leading national parties in America are firm supporters of the capitalist system and consider socialism of any variety as un-American and antinational.

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## CHAPTER IX

# The American Political System

### Concentration of Economic Power

In the United States, Professor C. Kaysen notes, "there are currently some 4.5 million business enterprises ... Corporations formed only 13 per cent of the total number."<sup>1</sup> The political history of the United States would have been different if the concentration of economic power had been as rapid as Marx thought it must become. In fact as Professor E.S. Mason says about the United States, "the largest corporations have grown mightily, but so has the economy."<sup>2</sup> Ralph Miliband dissents and regards advanced capitalism "all but synonymous with giant enterprise" which dominates key sectors of its industry, commerce and finance. In regard to the United States, Carl Kaysen admits, "A few large corporations are of overwhelmingly disproportionate importance in our economy, and especially in certain key sectors of it. Whatever aspects of their economic activity we measure — employment, investment, research and development, military supply — we see the same situation."<sup>3</sup>

Professor Galbraith says: "In 1962 the five largest industrial corporations in the United States, with combined assets of \$ 36 billion, possessed over 12 per cent of all assets used in manufacturing. The fifty largest corporations had over a third of all manufacturing assets. The five hundred largest had well over two thirds corporations with assets in excess of \$10,000,000, some two hundred in all accounted for about 80 per cent of all resources used in manufacturing in the United States ... In the first half of the decade (June 1950 - June 1956), a hundred firms received two thirds by value of all defence contracts, ten firms received one-third."<sup>4</sup> According to Galbraith twentyeight

corporations provided about 10 per cent of all employment in manufacturing, mining and trade. Four corporations accounted for about 22 per cent of all industrial research and development. Three hundred and eightyfour big corporations accounted for 55 per cent of these expenditures, but 260,000 small firms accounted for only 7 per cent.

There is every reason to believe that this domination of America's economy by giant corporations has become even more marked in recent years. State intervention itself tends to expedite this process despite its professed desire to curb monopolies and safeguard the interests of small business. The enormous political significance of this concentration of private economic power on the American polity is a major concern of this chapter. Moreover, it should be noted that this growth of the giant enterprise is not merely a national phenomenon. A growing number of the largest American firms are assuming more pronounced transnational character, both in terms of ownership and management. Much of this has been brought about as a consequence "of the equation by American corporations of a rapidly expanding stake in the economic life of other advanced capitalist countries, often to the point of actual control of the latter's major enterprises and industries". But American capitalism is international also in another, more traditional, sense as "large-scale capitalist enterprise is deeply implanted in the under-industrialised areas of the world ... in Latin America, the Middle East, Africa and Asia."<sup>5</sup>

What is the political significance of these corporations from the point of view of power structures? C. Wright Mills explains: "Not

1. *The Corporation in Modern Society*, p. 86

2. *Ibid.*, p. 10

3. Kaysen, *Ibid.*, p. 86

4. J.K. Galbraith, *The New Industrial State*, pp. 74-75.

5. Ralph Miliband, *The State in Capitalist Society*, pp. 14-15

great fortunes, but great corporations are the important units of wealth, to which individuals of property are variously attached. The corporation is the source of, and the basis of, the continued power and privilege of wealth. All the men and the families of great wealth are now identified with large corporations in which their property is seated."<sup>6</sup> It should be emphasized that the location of power inside rather than outside the typical giant corporation renders anachronistic the theory of the 'interest group' as a fundamental unit in the structure of capitalist society. A whole series of developments have loosened or broken the ties that formerly bound the great interest groups together.

### Nature of American Democracy

Except in times of crisis, the normal political system of capitalism, whether competitive or monopolistic, is liberal democracy, which Marxists may call bourgeois democracy. Votes are the nominal source of political power, but money is the real source. The political system, in other words, is democratic in form, but plutocratic in content. This was even recognized by Lord Bryce who talked about the enormous power that money wielded in American elections. All the political activities and functions, which characterize this system such as indoctrinating and propagandizing the voting public, organising and maintaining political parties, running electoral campaign "are managed only by means of money, in fact, lots of money." And since in monopoly capitalism the big corporations are the source of big money, they are also the main sources of political power."<sup>7</sup>

It is true that there is an inherent contradiction in this system. The voters, who do not own much property but constitute an overwhelming majority of the population, may form their own mass organisations, such as trade unions, political parties etc., raise funds through subscriptions and thereby become an effective political force. If they win formal political power and then threaten the economic power and privileges of the wealthy oligarchy, the system will face a crisis unless the oligarchy gives up peacefully. Since no privileged class has behaved this way in history, we can discount this possibility. It is more likely that it will abandon democracy and adopt coercive ways of some

kind of fascism. Such a breakdown of liberal democracy may occur for other reasons such as war, economic crisis or political instability. Laski has argued in the *American Democracy* that a fascist solution is not unthinkable in the American political system in a period of intense economic or political crisis.

In general, the moneyed oligarchy of the United States prefers democratic rule to any type of authoritarian government. The stability of the system is enhanced by periodical elections which give legitimacy to plutocratic rule. Popular ratifications of capitalist, oligarchic rule enables it to avoid certain very real dangers of personal or military dictatorship which plague the presidential political regimes of many Latin American countries. Hence in the United States and other advanced capitalist democracies, wealthy oligarchies as a rule do not resort to authoritarian method in dealing with opposition movements. They devise more indirect and subtle means for achieving their ends.

The capitalists make concessions to weaken and soften trade-union militancy and political radicalism of the working-class. They buy off their leaders with money, flattery and honours. When such leaders acquire power, they remain within the limits of the system and try to win a few more concessions to keep their electoral supporters content. They never challenge the real bastions of oligarchic power in the economy and in the coercive branches of the state apparatus. The oligarchy also shapes and alters the machinery of government in order to check the deadlocks and stalemates which might lead to breakdown of democratic procedures. For example, the number of political parties is deliberately limited to prevent the emergence of government by unstable coalitions.

By these methods, democracy is made to serve the interests of the capitalist oligarchy far more effectively and durably than authoritarianism. However, the possibility of a shift to authoritarian rule remains embedded in the constitutional system. Indeed, the American constitutional system, like other democratic constitutions, makes provision for such autocratic rule in times of emergency. However, this is not the favoured form of government for

6. C. Wright Mills, *The Power Elite*, p. 116

7. Paul A. Baran and Paul M. Sweezy : *Monopoly Capital*, p. 157



normally functioning capitalist societies. The United States also preferably maintains a system of liberal democracy. "In constitutional theory, the people exercise sovereign power; in actual practice, a relatively small moneyed oligarchy rules supreme. But democratic institutions are not merely a smoke-screen behind which sit a handful of industrialists and bankers making policies and issuing orders. Reality is more complicated than that." In fact, the nation's founding Fathers were conscious of this "latent contradiction in the democratic form of government, as indeed were most political thinkers in the late eighteenth and early nineteenth centuries"<sup>8</sup>

Many writers such as Charles Beard, Harold Laski and D.W. Brogan recognised the possibility that the propertyless majority might use its power to vote to turn its nominal sovereignty into real authority and thereby the security of property, which the capitalists considered as the basis of civilised society. The framers of the constitution therefore devised the well-known system of checks and balances. Its purpose was to make it as difficult as possible to subvert the existing system of property relations.

America's capitalist democracy later developed in a context of several conflicts among various groups and segments of the wealthy classes, which unlike Europe, had never united by a common struggle against feudal power because the United States had no feudal class to contend with for the reasons, the state institutions in the United States have been terribly anxious to protect the privileges of the property-owning minorities against the people. We know "how the separation of powers was written into the Constitution, how states' rights and local autonomy became fortresses for vested interests, how political parties evolved into vote gathering and patronage-discussing machines without programme or discipline. The United States became a sort of utopia for the private sovereignties of property and business."<sup>9</sup>

The very structure of the polity prevented effective action in many areas of the economy and social life. City planning is the worst casualty of the chaotic number of authorities that rule American cities. Robert C. Wood in his *1400*

*Governments* refers in its title to the number of separate governmental authorities that are operating within the New York metropolitan area. Each of these authorities is the repository and representative of vested interests. There is no over all authority to co-ordinate and control their policies. It is ridiculous to talk of 'planning' in such circumstances.

The system of political representation and the absence of responsible political parties has given an effective veto power to short-term and long-term coalitions of vested interests. Moneyed classes in America are united only on one programme i.e. extension of territorial sovereignty (that is how thirteen original colonies expanded into fifty contemporary states through war, purchase and conquest and protection of the interests of American investors and traders abroad (U.S. economic imperialism). In fact these two activities have been the first concern of the federal government throughout the nation's history. R.W. Van Alstyne, in *The Rising American Empire*, highlights this aspect of America's developing capitalist democracy.

#### Social Structure and Class Distribution

The common economic features of developed capitalist systems such as the U S A, Britain, France, Canada, Japan etc. provide these countries with a broadly similar 'economic base'. But this commonality of their economic base is also responsible for creating many significant similarities in their social structure and class distribution. We find therefore in all these countries, including the United States a relatively small number of people who own a markedly disproportionate share of personal wealth and whose income is predominantly derived from ownership of private properties.

Many of these rich persons also control the uses to which their assets are put. But some wealthy individuals may own a small part of those large assets which they control and manage in reality. It is these owners and controllers, taken together, who institute the ruling class of the United States and other capitalist countries. Whether this usage is correct for a democracy will be examined in this chapter later. At this stage, we may just note the existence of economic elites which through ownership or control do command the most important sectors of all

8. Baran and Sweezy : *Monopoly Capital*, p. 159

9. *Ibid*, p. 160

developed capitalist economies.

At the other end of the social scale, we find in all these countries, a working class mostly composed of industrial workers with agricultural wage-earners a steadily diminishing element in the work force.

This implies that the main form assumed by the 'relations of production' in the United States is that between capitalist employers and industrial wage-earners. Like other social classes, the working class of the United States is highly diversified, it is a distinct and specific social formation due to its characteristics as distinguished from those of other classes. Ralph Miliband says "The most obvious of these characteristics is that here are the people who, generally, 'get least of what there is to get', and who have to work hardest for it. And it is also from their ranks that are recruited the unemployed, the aged poor, the chronically destitute and the sub-proletariat of capitalist society"<sup>10</sup>

While apologists of capitalism talk of its "classlessness", the proletarian condition remains still harsh in the work process, in levels of income, in lack of opportunities and in the social definition of existence. The economic and political life of all capitalist societies including the United States is chiefly shaped by the relationship, determined by the capitalist mode of production, between these two classes—the owners of property on the one hand and the workers on the other. The confrontation of these two opposite social forces powerfully determines the political systems of developed capitalism and the United States is no exception to this general rule. The political process is virtually concerned with this antagonism. It is, in fact, intended to legitimate the terms of their unequal relationship.

However, it would be wrong to assign a merely nominal role to other social classes and strata in capitalist America. In fact, their existence and activity greatly helps to prevent the political polarisation of a capitalist society. In the United States, a large and growing class of professional people — lawyers, doctors, scientists, administrators, technocrats etc. plays a significant economic and political role in the

system — then we have a middle class associated with small and medium-sized enterprises, which cannot be assimilated into the upper class of the corporate rich. Finally, a capitalist society includes a large number of 'cultural workmen'—writers, poets, critics, journalists, priests and intellectuals.

The brief enumeration of classes and strata given here is not exhaustive. We have disregarded the lumpen and criminal elements and also excluded those who actually run the state as politicians, civil servants, judges and military men. Their role will be taken up separately a little later, one point may be noted that classes may exist and yet they may not be conscious of their class positions and actual relations between classes. As C. Wright Mills says, "The fact that men are not 'class conscious', at all times and in all places does not mean that 'there are no classes' or that 'in America everybody is middle class'. The economic and social facts are one thing. Psychological feelings may or may not be associated with them in rationally expected ways. Both are important, and if psychological feelings and political outlooks do not correspond to economic or occupational class, we must try to find out why, rather than throw out the economic baby with the psychological bath, and so fail to understand how either fits into the national tub."<sup>11</sup>

In his Introduction to *Democracy in America*, Alexis de Tocqueville says that this book was written "under the impression of a kind of religious dread produced in the author's mind by the contemplation of this irresistible revolution which had advanced for so many centuries in spite of all obstacles."<sup>12</sup> He was here speaking of the progress in the direction of democratic egalitarianism. Since then many writers have echoed de Tocqueville's sentiments. J. 4. Meisel spoke about the 'myth of the most potent socio-political solvent of modern times. Theories have been advanced about the 'mass society, the 'end of ideology', the 'end of history' and 'classlessness'.

However, Professor Kolko maintains that there was "no significant trend towards income equality" in the United States between 1910 and 1959<sup>13</sup>. H.P. Miller also notes that "in the

10. Miliband, R. *The State in Capitalist Society*, p. 161

11. I. L. Horowitz (ed) *Power, Politics and People*, p.317.

12. A. de Tocqueville, *Democracy in America*, Vol 1-7 p.4

13. G. Kolko, *Wealth and Power in America* p. 13

absence of remedial action, this nation may soon face with an increase in the disparity of incomes"<sup>14</sup>

Professor Meade has drawn our attention to 'a really fantastic inequality in the ownership of property' and equalisation is a myth in the context of significant economic inequalities that exist in all developed capitalist countries including the United States. For the United States, R.J. Lampman notes that the share of wealth accruing to the top 2 per cent of American families in 1953 amounted to 29 per cent (instead of 33 per cent in 1922);<sup>15</sup> and that one per cent of adults owned 76 per cent of corporate stock, as compared with 61.5 per cent in 1922.<sup>16</sup> This hardly justifies the belief in 'People's Capitalism';

This shows that despite tall claims about the levelling process, there continues to exist a relatively small class of people who own large amounts of property and also receive very large incomes derived from that ownership. On the other end, there is a very large class of people who own very little or no property, whose income depends on the sale of their labour power and who live a life of actual poverty.

The findings of an official conference on Economic Progress in the United States which reported in 1962 are; "thirtyfour million people in families and four million unattached individuals lived in poverty; thirty-seven million people in families and two million unattached individuals lived in deprivation. The total of seventy-seven million comprised two-fifths of the U.S. population in 1960."<sup>17</sup>

The phenomenon of managerialism does not significantly alter the class and social polarisation of the American society. "In practice", Adolf Berle writes about the United States, "institutional corporations are guided by tiny, self-perpetuating oligarchies. These in turn are drawn from and judged by the group opinions of a small fragment of America—its business and financial community."<sup>18</sup> But this view is

not true because the corporate managers are seldom free from the direct pressures of the owners and also because they themselves are usually part of the owning fraternity. In the United States, according to Kolko, "the managerial class is the largest single group in the stockholding population, and a greater proportion of this class owns stock than any other."<sup>19</sup> Thus modern managerial class is an indivisible component of the ruling capitalist class and the work process under both remains one of domination and subjection.

Professor Kolko concludes: "The signal fact of American business history is the consensus among businessmen ... that the capitalist system is worth maintaining." It may tolerate "decisive innovation in the economic sphere", but is opposed to radical economic programmes that might, in the process of altering the concentration of economic power, also undermine the sterility, if not the very existence of the status quo.<sup>20</sup> The question now is whether this economically dominant business elite is also a ruling class in the sense that it exercises a decisive degree of political power; whether its control and ownership of the industrial-commercial complex enables it to dominate the state in the political environment of developed capitalism.

#### The State System and the State Elite

According to Paul Baran, Paul Sweezy and Ralph Miliband, the ruling class of a capitalist society is that class which owns and controls the means of production and which "is able by virtue of the economic power thus conferred upon it, to use the state as its instrument for the domination of society." The theorists of liberal democracy and often of social democracy, on the other hand, "have denied that it was possible to speak in a really meaningful way of a capitalist class at all, and that such economic power as could be located in capitalist society was so diffuse, fragmented, competitive, and so much subject to a multitude

14. H.P. Miller, *Rich Man, Poor Man*, p. 54

15. R.J. Lampman, *The Share of Top Wealth Holders in National Wealth*, p. 26

16. *Ibid.*, p. 209.

17. H. Magdoff, "Problems of United States Capitalism" in *The Socialist Register*, 1965, p.

18. A. A. Berle, *The XXth Century Capitalist Revolution*, p. 180

19. G. Kolko, *Wealth and Power in America*, p. 67

20. G. Kolko, *The Triumph of Conservatism*, p. 12

of countervailing checks as to render impossible its hegemonic assertion *vis-a-vis* the state or society. "21 You may find, therefore, in a capitalist country like the United States, a plurality of competing economic, political and other elites, which are, by the very fact of their pluralistic competition, their lack of common purpose and absence of cohesion is capable of forming a dominant class that can wield effective state power.

It may easily be conceded that there does exist a plurality of economic and other elites in a developed capitalist society like the United States. Despite the integrating trends of its capitalism, these elites do from distinct interests and groupings, whose completion greatly influences the political process. However this elite pluralism cannot obstruct the various elites of the U S A's capitalist society from integrating into a dominant economic class, showing great solidarity and cohesion because their common interests and shared objectives transcend their specific disagreements and differences.

But the most important question in this context is whether this dominant class in the economic sense also constitutes the ruling class in the political sense. Of course, no one can deny that this economically dominant class does wield substantial political power and influence. The question is a different one altogether, namely whether this dominant class also exercises a much greater degree of power and influence than any other class, whether it exercises a decisive degree of political power; whether its ownership and control of crucially important areas of economic life also ensures the control of political decision-making in the particular environment of advanced capitalism<sup>22</sup>

The first element of the state system is its government. It is surprising that government and state should often appear synonymous. The assumption of governmental power is not equivalent to the acquisition of state power. When the Republicans or the Democrats win an election in the United States, they form a government which in Weber's words, can "successfully plan the monopoly of the legitimate use of physical force" within U.S. territory.

A second element of the state system is the administrative one, which now extends far beyond the traditional bureaucracy of the state. It includes a wide variety ministerial departments, public corporations, regulatory commissions, central banks, etc., which are concerned with the management of economic, social cultural and other activities.

Formally, bureaucracy is at the service of the political executive, its tool and instrument. Actually it is a part of the political process. Karl Mannheim noted that "the fundamental tendency of all bureaucratic thought is to turn all problems of politics into problems of administration."<sup>23</sup> Administrators cannot divest themselves of their ideological convictions when they tender their advice to ministers or when they are in a position to take independent decisions. Professor Meynaud correctly points out, "The establishment of an absolute separation between political and administrative sectors had never represented much more than a simple juridical fiction of which the ideological consequences are not negligible."<sup>24</sup>

These considerations apply to all other elements of the system. They equally apply to a third such element, namely, the armed forces, to which may be added the para-military, security and police forces of the state. They together constitute that branch of the state system which is concerned with the 'management of violence'. In the United States, this coercive apparatus has developed, since the second world war, into a vast, resourceful and expanding establishment. Its professional leaders, a new race of *warlords*,<sup>25</sup> are persons of high status and extra-ordinary influence, inside state system and in society, similar increase had occurred in the forces of internal security. In no other capitalist state, except in Nazi Germany, police repression and militarization ever reached a grander scale than in the post-war United States.

The fourth element of the state system is the judiciary, which is also non-elective as the administrative and coercive apparatuses are. But unlike them, it is not the constitutional obligation of the judges to serve the government of the day. They are constitutionally independent of

21. Ralph Miliband, *The State in Capitalist Society*, p. 21

22. *Ibid.*, p. 45

23. Karl Mannheim, *Ideology and Utopia*, p. 105

24. Meynaud, *La Technocratie*, p. 68

25. See C. Wright Mills, *The Power Elite*, Chapter 8.

the political executive and protected from it by security of their tenure and other guarantees. In addition, they are expected to defend citizens' rights and freedom against any encroachment by the political executive. Even then, the judiciary is an integral part of the state system which profoundly affects the exercise of state power.

Various units of sub-central or local government constitute the fifth element of the state system. For all the centralisation of power, which is a major development in all capitalist countries," sub-central organs of government, notably in federal systems such as that of the United States have continued as power-structures in their own right, and therefore able to affect very markedly the lives of the population they have governed"<sup>26</sup>

Representative assemblies of developed capitalist countries constitute the sixth element of their state and, as an elective element, can be viewed as the most democratic segment. Their life revolves around the government. In the United States, they are formally independent institutions of political power. Their relationship with the executive is one of conflict and co-operation. Opposition parties cannot be wholly uncooperative. By taking part in the work of the legislature, they help the government's business. Government parties are seldom single minded in their support of the political executive. Dissenters "must be persuaded, cajoled, threatened or bought off." Both sides, thus, reflect this duality. Ralph Miliband says: "It is in the constitutionally-sanctioned performance of this cooperative and critical function that legislative assemblies have a share in the exercise of state power. That share is rather less extensive and exalted than is often claimed for these bodies"<sup>27</sup>

It is through these six components of the state system that presidents, prime ministers and their ministerial colleagues, high civil servants and other state bureaucrats, top military men, judges of superior courts, some eminent parliamentary leaders, political and administrative leaders of sub-central government exercise their political power. These are the people who together constitute the state elite. But the state system is only a part of the political system

which is broader and includes many institutions such as political parties and pressure groups. They influence the political process and vitally affect the functioning of the state system. It further includes such non-political institutions as giant corporations, churches, the mass media etc. Obviously the men who lead and govern them wield political power but they should be distinguished from the state elite which exercises state power as a distinct and separate entity.

In the case of the United States, it is necessary to analyse the relationship of the state to the economically dominant class. It may well be discovered that this "relationship is very close indeed and that the holders of state power are, for many different reasons, the agents of private economic power, that those who wield that power are also, therefore, and without unduly stretching the meaning of words, an authentic 'ruling class,'"<sup>28</sup>

From this point of view, "the phrase 'what is good for General Motors is good for America' is only defective in that it tends to identify the interests of one particular enterprise with the national interest. But if General Motors is taken to stand for the world of capitalist enterprises as a whole, the slogan is one to which governments in capitalist countries do subscribe, often explicitly"<sup>29</sup> The American government like capitalist governments elsewhere, does so because it accepts the view that the economic rationality of capitalism provides the best possible set of social arrangements for human welfare and progress. Representing the view of the state elite in America, President Eisenhower said: "I believe in our dynamic system of privately owned businesses and industries. They have proven that they can supply not only the mightiest sinews of war, but the highest standard of living in the world for the greatest number of people .... But it requires someone to take these things and to produce the extraordinary statistics that the United States with 7 per cent of the world's population produces 50 percent of the world's manufactured goods. If that someone is to be given a name I believe that his name is the American businessman."<sup>30</sup>

### **Bureaucratic, Military and Judicial Elites**

Top civil servants in the United States,

26. Ralph Miliband, *The State in Capitalist Society*, p. 49

27. *Ibid.*, p. 50

28. *Ibid.*, p. 51

29. *Ibid.*, p. 69

30. S.E. Harris, *The Economics of Political Parties*, p. 5

specialists at upper levels of established career services, "have almost unlimited reserves of the enormous power which consists of sitting still" in defence of the *status quo*. Bureaucracy works as the conscious ally of the business class in all capitalist countries with the United States in the lead, candidates to and members of the civil service are subjected to screening procedures in order to eliminate men and women suspected of any radical orientation. But the most important factor that reinforces the conservative outlook of higher civil servants that turns them into firm supporters of the interests of corporate capitalism is their closeness to its environment.

Furthermore, bureaucracy and large enterprises are now increasingly related in terms of an interchanging personnel. This is particularly true of the new breed of 'technocrats' who man both national and superannuation institutions. The same is also true of independent regulatory agencies in the United States. They may be independent of the political executive, but ideologically and politically, they are integrated into the world of corporate capitalism, Labour, on the other hand, does not possess any links or advantages in the bureaucratic world. American civil servants are not neutral in class conflicts but, in fact, the allies of capital against labour.

Miliband, therefore, concludes, "The state bureaucracy in all its parts, is not an impersonal un-ideological, a-political element in society, above the conflicts in which classes, interests and groups engage. By virtue of its ideological dispositions, reinforced by its own interests, that bureaucracy, on the contrary, is a crucially important and committed element in the maintenance and defence of the structure of power and privilege inherent in advanced capitalism. The point applies at least as much to economic technocrats ... In this light, contemporary capitalism has no more devoted and more useful servants than the men who help administer the state's intervention in economic life."<sup>31</sup>

Similarly, the notion that the military elites in America are ideologically neutral is manifestly false. As in the case of civil servants, military conservatism is also specific in the

sense that it is finally committed to protect and maintain capitalist values and purposes. Professor Huntington says: "Few developments more dramatically symbolised the new status of the military in the post-war decade than the close association which they developed with the business elite of American society .... Professional officers and business men revealed a new mutual respect. Retired generals and admirals in unprecedented numbers went into the executive staffs of American corporations; new organisations arose bridging the gap between corporate management and military leadership. For the military officers, the business represented the epitome of the American way of life"<sup>32</sup>

F.J. Cook has given a well-documented analysis of this process in his book *The Warfare State*. C. Wright Mills has forcefully argued that in the United States, the steady militarisation of life and the abnormal growth of the 'military domain' has produced a situation in which the military must be regarded as a power group coequal with the corporate elite and the 'political directorate'. The military elite is their trusted ally "against striking workmen, left-wing political activists, and other such disturbers of the *status quo*"<sup>33</sup>

Judicial elites are mainly drawn from the upper and middle layers of society. In the United States, they are men of a conservative disposition, in regard to all the major economic, political and social arrangements of their society. The Supreme Court, by assuming the role of a third chamber, has used its judicial discretion to determine social policies though one judge enunciated the view in 1824 that "public policy is an unruly horse and dangerous to ride."<sup>34</sup> But many judges of the Supreme Court have nevertheless been compelled to ride that horse, for good or bad reasons. Judges have taken a rather poor view of radical dissent and even connived in the erosion of civil liberties in the conditions of a long-term 'Cold War'. They have consistently displayed a bias in favour of privilege, property and capital. The history of trade unionism in America is also a history of continuous struggle against the courts' attempts to curl the rights of the working-class.

31. Ralph Miliband: *The State in Capitalist Society*, pp. 115-116

32. S. Huntington, *The Soldier and the State* pp. 361-362.

33. R. Miliband, *The State in Capitalist Society*, p. 123

34. Quoted in Miliband's *The State in Capitalist Society*, p. 125

### Legitimation and Imperfect Competition

The claims of democratic diversity and free political competition which are made on behalf of capitalist democracies like the United States appear valid in the field of communications — the press, radio, television, education etc. The value of this freedom and opportunity of expression cannot and should not be underestimated. "Yet the notion of pluralist diversity and competitive equilibrium" Milliband points out," is here as in every other field rather superficial and misleading for the agencies of communication and notably the mass media are, in reality, and the expression of dissident view notwithstanding, a crucial element in the legitimation of capitalist society"<sup>35</sup> In the context of the United States, the freedom of expression mainly means the free expression of ideas which assist the established system of power and privilege.

Even P.F. Lazarsfeld and R.K. Merton, two mainstream sociologists, have admitted this regarding the United States, "Increasingly the chief power groups, among which organised business occupies the most spectacular place, have come to adopt techniques for manipulating mass public through propaganda in place of more direct means of control Economic power seems to have reduced direct exploitation and turned to a subtler type of psychological exploitation, achieved largely by disseminating propaganda through the mass media of communication ... These media have taken on the job of rendering mass publics conformative to the social and economic status quo."<sup>36</sup>

The ideological function of the media is obscured in the United States by the absence of state dictation, the existence of debate and controversy and the looseness of the conservative doctrine allowing variations within its framework. Yet the fact remains that the mass media in capitalist democracies are mainly intended to perform a highly 'functional' and legitimising role, both as the expression of a system of domination and a means of reinforcing it. The press radio and television may preserve fair degree of impartiality between the Republican and Democratic parties, but this does not

preclude adverse criticism of all views opposed to this bi-party consensus. Radical views are specially marked for hostile condemnation. Socialism for them has always been a devil incarnate. Similarly, the press and other media in the United States remain a deeply committed anti-trade union force. Since 1945 the U.S. media was virulently hostile not only towards international communism but also national liberation struggles and revolutionary movements everywhere.

Conservative, pro-capitalist attitudes of the mainstream media are derived from the ownership and control of the 'means of mental production.' The mass media in the United States are overwhelmingly in the private domain which is dominated by large-scale capitalist enterprises. "The Hearst empire," for instance, "includes twelve newspapers, fourteen magazines, three television stations, six radio stations, a news service, a photo service, a feature syndicate, and Avon paperbacks"; and similarly "in addition to magazines, *Time, Inc.*, also owns radio and television stations, a book club, paper mills, timber land, oil wells, and real estate."<sup>37</sup>

The ideological dispositions of the owners of the capitalist mass media oscillate between soundly conservative to utterly reactionary. Newspaper proprietors closely control the editorial policies of their newspapers as well. James Wechsler, the editor of the *New York Post* said, "The American press is overwhelmingly owned and operated by Republicans who fix the rules of U.S. political debate. And I use the words 'fix' advisedly ... It is a press that is generally more concerned with tax privileges of any fat cat than with the care and feeding of any underdog ... It is a press that is far more forthright and resolute in combating Communist tyranny in Hungary than in waging the fight for freedom in the United States"<sup>38</sup>

In capitalist democracies, there are certain political parties which are the chosen instruments of the business classes and of the dominant classes generally. In most countries, one major party perform that role, though a second or third party may also enjoy a similar patronage. Thus the Republican Party in the United States is

35. R. Miliband, *The State in Capitalist society*, p. 197

36. B. Rosenberg and D.M. White (eds.), *Mass Culture — The Popular Arts in America*, p. 457.

37. G.W. Domhoff, *Who Rules America*, p. 81.

38. Quoted in J.E. Gerald, *The Social Responsibility of the Press*, p. 108

pre-eminently the "party of business" and of businessmen, but the Democratic Party, for that reason, is not denied necessary business support or corporate funding of its electoral compassion. H.E. Alexander had made this point clear in his book, *Financing the 1964 Election*. As a pressure group *vis a vis* the state, business enjoys a vast degree of superiority ideological, political and cultural hegemony on society. This hegemony includes influence on the Republican and Democratic party machines, the mass media, other agencies of political socialisation, and various organs of government.

America may be suitably described as a 'business civilization' permeated by a business culture and a business ethos. Business has set up and financed 'promotional groups' to disseminate free enterprise propaganda in defence and calibration of the capitalist economic system. A concerted effort for ideological indoctrination has gone furthest in the United States: "...The attitudes, opinions arguments, values and slogans of the American business community are a familiar part of the landscape of most Americans. In recent years, the business point of view has found abundant expression in every kind of medium: placards in buses on the economics of the 'miracle of America'; the newspaper and magazine advertisements on the perils of excessive taxation, speeches of business executives on the responsibilities and rights of management; editorials deploring the size of the national debt; textbooks sponsored by business associations, explaining the working of free enterprise economy; pamphlets exposing the dangers of unwise political intervention in business affairs; testimony by business spokesmen before Congressional committees on a host of specific issues of public policy."<sup>39</sup>

Political competition between labour and capital is imperfect and most unequal in the United States. One obvious reason for this is absence of an authentic working-class party which could have become the vehicle of a rival ideology and politics. In these circumstances, as an American writer, Professor Heilbroner points out, "The striking characteristic of our contemporary ideological climate is that the

'dissident' groups, labour, government, or academics, all seek to accommodate their proposals for social change to the limits of adaptability of the prevailing business order. There is no attempt to press for goals that might exceed the powers of adjustment of that order. Indeed, all these groups recoil from such a test. ...thus, it falls to the lot of the business ideology, as the only socio-economic doctrine of consequence, to provide for non-business groups and in particular, for the intellectual community the sense of mission and destiny that is the part usually emanated from rival ideologies."<sup>40</sup>

The presidency of John F. Kennedy provides an illuminating example of the power wielded by big corporations on the American government. President Kennedy found himself engaged in a "spectacular power struggle" with the Business Advisory Council, "an exclusive and self-perpetuating club of top corporate executives that had enjoyed a private and special relationship with the government since 1933" and which "from Administration to Administration ...had continuous privilege to participate in government decisions with no public record or review"<sup>41</sup> When the Commerce Secretary, Luther H. Hodges, wanted to include a broad cross-section of American business—big, medium and small-sized in the BAC, it severed its official connections and renamed itself the Business Council. In fact, Hodges had even thought of broadening the Council to include representatives of labour, agriculture and education.

The confrontation resulted in the withdrawal of all plans for reform. A rapprochement was made and small committees of the Business Council were assigned to each of various government departments and agencies, and to White House itself. On the other hand, "labour leaders complained about the Kennedy campaign against 'inflationary wage increases', itself part of Kennedy's assurance to business that he was playing no favourites. But the President wanted to restore a good working relationship with Business Council regardless of labour's concerns."<sup>42</sup>

In the light of the strategic position which

39. Sutton, et al, *The American Business Creed*, p. 11-12

40. R.L. Heilbroner, "The View from the Top—Reflections on a Changing Business Ideology", in Cheit, *The Business Establishment*, p. 2 (italics in text)

41. Rowen, *The Free Enterprise. Kennedy, Johnson and the Business Establishment*, pp. 61-62

42. *Ibid.*, p. 73



as a 'veto group' on par with labour. For labour has nothing of the power of capital in the day-to-day decision-making of capitalist enterprise. A firm's policies regarding production, export, investment etc. are determined by the capitalist owner. In this sense, labour lacks a firm basis of economic power, and consequently has much less pressure potential *vis-avis* the state. In the international sphere, there is no labour equivalent of the World Bank, the International Monetary Fund, or the O. E. C. D. and the G-7, to ensure that governments do not take anti-labour measures in order to please the business elites. While international solidarity of the working-class is a hallowed rhetoric, the unity of world capitalism has become a concrete and permanent reality. The outstanding characteristic of trade union movements in the United States has been division, not unity. Labour, as a pressure group, is extremely vulnerable to

internal and external influences that erode its will and strength. American governments have generally felt it unnecessary to treat labour with that respect which they have invariably accorded to capital.

The most important political fact about the United States as an advanced capitalist society is the continued existence of ever more concentrated economic power. The assumption that the United States has long achieved political equality, whatever may be the case in regard to economic and social equality, constitutes one of the great myths of the epoch. Political equality, save in formal terms, is impossible in the conditions of advanced capitalism. Economic life cannot be separated from political life. Unequal economic power..... inherently *produces* political inequality .... whatever the constitution may say."<sup>43</sup>

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