

IN THESE TIMES OPINION

Why does Carter fancy Vance?

By William Burr

President Carter has indicated that Secretary of State Cyrus R. Vance will not be the star that Henry Kissinger was. Yet Carter has already suggested that there will be no abrupt change in foreign policy goals under his administration. The objective, as before, will be to preserve the global-investment-for-profit system.

But diplomatic method will change. There will be much less of the unilateral decision making that caused both irritation among the U.S.'s industrial allies and consternation among the "Atlanticists" in America's foreign policy establishment. The Vance State Department will also discard Kissinger's excessive penchant for secrecy in favor of broader discussions among America's rulers.

Carter seems to have chosen Vance because he can work as part of a "national security team" designated to formulate and implement an integrated political-economic diplomacy. President Ford put two head-strong men in the State and the Treasury Departments, and they could not cooperate in developing comprehensive programs for sustained capitalist expansion. Kissinger and William Simon clashed over such far-reaching issues as commodity-agreements and foreign aid. But Carter has ensured State-Treasury cooperation by staffing them with men who have already worked closely together in private policy-planning circles.

Like other high-ranking members of the American corporate directorate, Vance is discrete and cautious. Having never held an elected office, he has had to state his personal views only among his associates in the national security apparatus and in the corporate boardrooms. We know something about Vance's activity over the past 20 years, but almost nothing about his most deeply held convictions on society and the world that he helps manage. But there is enough information in public record to understand why Carter thinks that Vance will meet his requirements.

►A corporate lawyer.

Like most Secretaries of State during the 20th century, Vance is a corporate lawyer, which explains a lot about the man. The American corporate system is peculiarly a creature of the law. Lawyers played a crucial role in providing the Mor-

gans, Stillmans, Rockefellers and other early corporate leaders with the tools needed to elaborate, codify and institutionalize the corporate form of business organization. In representing a diverse range of propertied interests, highly placed corporate lawyers now function as business statesmen, framing broad programs addressed to the needs of corporate capitalism. Secretaries of State Elihu Root, Philander C. Knox, Robert Lansing, Henry Stimson, Dean Acheson and John Foster Dulles were corporate lawyers. Each helped to devise the legal and political network holding together and sustaining the international capitalist system.

Vance's own social origins informed the view of society that he had to develop as he became one of its managers. Born in a well-to-do and politically influential West Virginia family, he early had instilled in him a sense of class responsibility and an interest in the law. Vance's secondary education at the Kent School in Connecticut was, no doubt, a formative socializing experience. Such schools as Kent, Groton and St. Paul's have, since the 1890s, helped rear a homogeneous upper class leadership.

A BA degree in economics and a Yale law degree brought Vance, during the late '40s, to the prestigious Wall Street firm of Simpson, Thacher and Bartlett. This gave Vance corporate connections and opened the way to participation in public life. Simpson, Thacher and Bartlett, like other big firms on the 'street,' encourages its members to be active in professional and political affairs. One serves as a U.S. Senator (Clifford Case), another has been president of the American Bar Association (Whitney N. Seymour), another the author of a study on youth and narcotics (Whitney N. Seymour Jr.).

Vance scrupulously followed such examples. By the late 1950s he was known as one of New York's most able corporate lawyers. His abilities led senior partner, the late Edwin Weisl (an important figure in the motion picture industry and a long-time friend of Lyndon Johnson) to bring Vance with him to Washington in 1957 as a counsellor to Senator Lyndon Johnson's Special Committee on Space and Astronautics and the Senate Armed Services Committee. Participation in com-

mittee hearings gave Vance knowledge of the latest defense strategies, as well as acquaintances in the military-industrial complex. Friendship with Johnson, and Kennedy's election as president, eased Vance into the position of Counsel to the Defense Department in 1961. By 1962 he was Secretary of the Army. Within two years Secretary of Defense Robert McNamara appointed him Deputy Secretary of Defense.

During his years with the Defense Department, from 1961 to 1967, Vance fully met the requirements of his chief. Like other "McNamara men," he was an excellent technician who carefully and unhesitatingly carried out administration policy. After he had shown his skill by reorganizing the Army, Vance, as McNamara's deputy, played a substantial part in the management of the Kennedy-Johnson "counter-insurgency" program in semi-colonial areas overseas and at home. A leading "hawk," Vance helped select bombing sights in Vietnam during 1964-67 and became an expert in the conduct of tropical warfare.

Moreover, Vance served as special presidential envoy charged with managing social and political crises in the Canal Zone, the Dominican Republic, Cyprus and South Korea. Vance moved into the field of domestic counter-insurgency when he served as presidential emissary during the Detroit and Washington, D.C., riots in 1967 and 1968.

Finally, Vance was W. Averell Harriman's deputy at the Paris Peace Conference on Vietnam and participated in an initiative to negotiate an "honorable" settlement during President Nixon's first months in office. Along with Harriman, former University of California Chancellor Clark Kerr and Harvard's Samuel Huntington, Vance organized the National Committee for a Political Settlement to push for a "responsible" alternative to the Nixon policy. On the premise that the U.S. had to retain its hold over the government of South Vietnam (GVN), the committee proposed the "leopard skin cease fire." The committee reasoned that a cease fire would give the NLF substantial local control in the rural South while ensuring the control of the growing urban population by the GVN. This trade-off was in the national interest, Vance argued. But Nixon ignored Vance and went his own way.

With a public reputation untarnished by the war, Vance could wait for another Democratic administration and a high policy-making position. Meanwhile, Vance acquired directorships in IBM, Pan-American Airways, the One William Street Fund (associated with Lehman Brothers), the New York Times and other corporations. As chairman of the board of the Rockefeller Foundation, which John Foster Dulles and Dean Rusk before him had used as a springboard to the State Department, as a trustee of the Urban Institute (which he helped found in 1968), and as a member of the Trilateral Commission, he remained a "public spirited" member of his law firm and his social class.

Cyrus Vance has not been an "idea man." He has written no articles for *Foreign Affairs*, nor is there evidence of his playing a large intellectual role in the Trilateral Commission. On the other hand, no one else in the corporate elite has come up with basically new foreign policy ideas since the Marshall Plan and NATO. The Trilateral Commission represents sophisticated transnational corporate views harking back to Wilsonian "ultra-imperialism." Woodrow Wilson's objective during 1917-1920 was to minimize inter-necine capitalist rivalries by organizing the industrial nations into a League of Nations to ward off world war and social revolution. The Trilateral Commission can be seen as a transnational corporate league paralleling a United Nations of which world capitalism has lost control. As a "private" organization, the Trilateral Commission has the advantage of not being accountable to political processes within the various nations.

Vance brings the Carter administration an eminently "sound" and "responsible" business statesman capable of instilling some measure of confidence in the ruling class of the West. Vance will eschew Kissinger's style, avoid "Nixon shocks" and the inter-imperial acrimony of the early 1970s, and accelerate movement toward regular consultation with Western Europe and Japan. He will sustain and deepen Kissinger's recent accommodating stance towards developing countries in order to ease their receptivity to the international private investment system.

Vance indicated during his Senate confirmation hearings that administration foreign policy will be "increasingly intertwined with domestic economic policy." This is consistent with the Trilateral view that multinational corporate stability demands that each capitalist nation frame domestic policies to meet the system's need for reasonable mobility of trade and investment. Vance informed the Senate Committee on Foreign Relations that the President, along with the Secretaries of State and Treasury, the Director of the OMB, the Chairman of the Council of Economic Advisers and top presidential assistants on domestic and foreign policy will form a special coordinating committee charged with mapping out policies to harmonize national goals with the requirements of world capitalism.

The new administration will employ sophisticated planning and consultative techniques, but whether Vance and his Trilateral colleagues in the cabinet can move substantially in the "ultra-imperial" direction remains in question. Long-term security of capitalist property may require transnational planning as advocated by the Trilateral Commission, but the global drift leftward and serious competitive rivalries engendered by the current world crisis could preclude stabilization.

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Robert B. Carson

Marginal work is on the rise as traditional jobs evaporate

The pundit who observed that the next worse thing to being out of work in the U.S. was to have a job was right. Bad as unemployment is, the day to day problem of most American workers is work itself. The trouble is not just that labor is increasingly tedious and dull or (as we used to say a few years ago when we worried over the quality rather than the quantity of jobs) "not fulfilling." Despite the hold of the work ethic in American life, work for the vast majority has rarely been "fulfilling." For most, it has always been brute and tiresome. In the past, though, there was often a sense of security and the hope of monetary or status advancement to blunt the day to day drudgery. In recent years, these aspects of work in the U.S. have been receding.

The work force has almost doubled since World War II and real GNP has grown by about 120 percent. But this expansion has been accompanied by the shift of a growing percentage of workers into marginal industries and marginal occupations that provide little sense of economic security and practically no hope of upward movement. Understanding this change in the structure of labor puts the magnitude of America's unemployment problem in clearer perspective.

►A statistical picture of labor changes.

Between the recession year of 1958 and the recession year of 1975, nonagricultural employment grew by 53 percent. But jobs in industries that comprise the industrial base to the economy—mining, construction, manufacturing, and transportation—increased by only 25 percent. This slow job growth reflected increased use of automation and "labor-saving" machinery as well as the internationalization of production in these industries. Meanwhile, among the new "growth" industries like retail trade, finance, service and government, employment increased from more than 100 percent in service to 63 percent in finance. By 1975, about two-thirds of

working Americans were employed in these labor-intensive sectors.

Even more striking than these industrial category shifts, however, were the changes in occupational status. In brief, the movement was toward less skilled types of labor. The employment of craftsmen and semi-skilled labor grew by 35 and 22 percent respectively. Meanwhile, largely unskilled or low-skilled sales, clerical and service jobs expanded by 65 percent. Quite contrary to the arguments of conventional economists, the so-called managerial or technocratic "revolution" had little effect on workers. Professional, technical and managerial shares of total employment advanced only slightly. The rooms at the top were all full.

►The growth of "marginalized" labor.

The significance of these shifts in the structure of employment becomes evident if we look at the relative wage differentials between the "new" and the "old" jobs. Overall, new jobs have lagged well behind direct industrial production employment—in average real wages, about 30-35 percent behind in 1958 and between 40 and 45 percent today.

And, incidentally, contrary to the arguments of some radicals, and most conservative economists, there is no evidence that the lower relative wage position of the "new" jobs or their recent slippage is the result of powerful labor unions in the "old" sectors trading off their own gains for losses to other workers. Although this point needs further clarification, it is apparent that the segmentation of employment into old and new job categories and the differential wages paid in these categories is the result of structural changes in American capitalism—not the alleged union rip-offs of ineffectively organized or unorganized workers. At any rate, practically all workers have been taking a beating recently. Real weekly earnings, which increased about 40 percent

between 1947 and 1966, now average about the same as a decade ago.

►What do the trends mean?

What does this data mean? What specifically are the employment trends?

First, during the past 20 years there has been very little job growth in the old industrial occupations. Second, most recent job growth has been in the largely unskilled and lower skilled, labor intensive service—government—sales sectors. Third, these new jobs have been relatively poorer paid and, whether with or without the benefits of unions, are the least secure. Thus, we can conclude that while more and more Americans are working, more workers are being pressed toward the margins of employment. For many, the transition from employment to unemployment, whatever the personal psychological jolt, is scarcely noticeable from the perspective of the economy as a whole. The "new jobs" then, contrary to conventional economists' claims, were never a sign of a vital economy but merely another measure (along with chronic unemployment) of the growing labor surplus problem of American corporate capitalism.

What is the composition of this new marginal labor? The answer should bring no surprises. It is made up of pretty much the same types of people as those we earlier identified as the chronically unemployed—women, minorities and the young. The conventional economist at this point will say these are special cases, that they are marginal workers only because of certain correctable deficiencies—lack of skills, their age, social or sexual prejudices, or even the excessive union power that holds down non-union wages and jobs. Thus, economic and hiring policies aimed at correcting the "causes" for their unemployment should both create new jobs and improve present ones. However, economists' fantasies aside, there is simply no evidence to prove this contention.

It is evident in looking at the performance of the American economy in the past quarter century that corporate capitalism is able to produce greater and greater levels of output with decreasing need for human labor. The actual labor of more and more people becomes irrelevant. Among the employed—especially those in labor intensive jobs—the vulnerability to periodic unemployment, job insecurity, relatively lower wages, and degrading work can only be expected to heighten in a production-for-profit society. Within the limits of the system of corporate capitalism, there are no "economic" answers to the problem. Growing unemployment and the increased marginalization of the labor force can only be approached as political problems.

►Carter's options are empty.

Getting back to the question we posed at the outset of this series—What can Jimmy Carter do about the employment problem of modern corporate capitalism?

Plainly there are no effective longrun options within the constructs of the system. Keynesian fiscal policy does not work. The political solution of public jobs is simply too expensive to have deep and lasting effects and probably only shifts unemployment around. Meanwhile, the steady growth of unemployment and marginalized work, especially among blacks, women and the young, but ultimately, among all workers, will continue. What can Jimmy Carter really do to try to change this? Aside from prayer I can't think of a thing. What people might do if they rejected the rhetoric and politics of corporate capitalism is quite another matter.

Robert Carson teaches economics at State University College, Oneonta, N.Y., and is the author of *Main Line to Oblivion: the Disintegration of New York Railroads in the 20th Century*.

DIALOG

Editor:

I was very disappointed to read Carl Marzani's review of H. Smith's *The Russians* (*In These Times*, Jan. 5) because I had high hopes for *In These Times* as an independent socialist newspaper and now fear for its independence.

Mr. Marzani says that the Soviet economy's problems "are neither as crippling nor as refractory as those faced by our American economy." To compare any country's economy with the U.S.'s is to damn with faint praise, but that is not my main point. Suppose it can be demonstrated that the Russian economy (like that of Saudi Arabia and South Africa) is in relatively good shape. At whose expense and for whose benefit? A Marxist socialist does not talk only about growth of production. (Steel production, having been relatively stagnant after the Kaiser and the Ebert-Scheidemann regimes, soared under Hitler.) A Marxist also talks about who controls production and what is the distribution of wealth (viz. who benefits from production). Does anyone need ask?

Just a few words about both points. In 1932, at the 9th Trade Union Congress, 84.9 percent of the delegates were workers; at the 10th T.U.C. in 1949, 23.5 percent of the delegates were workers. In no sense do the Russian workers

control their own "unions," no less their state.

Russian workers cannot strike and are often subject to compulsory assignment to jobs. As for distribution of wealth, "available data point clearly toward an even broader dispersion in the USSR than in the West." (N. Spulber, *Soviet Economy*, New York, 1962, p. 42.) That of a physicist was, in Russia, 1:25; in the U.S., 1:5; and in Great Britain, 1:7. (K. Mendelssohn, "Russia Pays Her Physicists Well," *The Observer*, Aug. 18, 1957.) etc.

No wonder that when the West German Krupp empire and the Hoechst Chemical Corporation want to expand and build plants, they go to the Russian satellite East Germany, where labor is cheap and independent unions non-existent.

Mr. Marzani goes on to quote Stalin favorably about Russia's overcoming backwardness without mentioning the millions and millions of people uprooted, tortured, and murdered to achieve this feat. And for what purpose? Does any independent radical hope that, since the consolidation of the Stalinist bureaucracy's power in about 1927, Russia is moving toward a more equitable distribution of wealth or toward more workers' control of production? Hardly. The reverse of both is surely true.

There are two reasons why *In These Times* should strive for absolute objectivity with regard to U.S., Russia, and China, and all their satellites: first, American intellectuals and workers won't believe you otherwise; and second, more

importantly, it is your duty as a socialist newspaper to tell the truth.

—Marvin Mandell
W. Rosbury, Mass.

Carl Marzani replies:

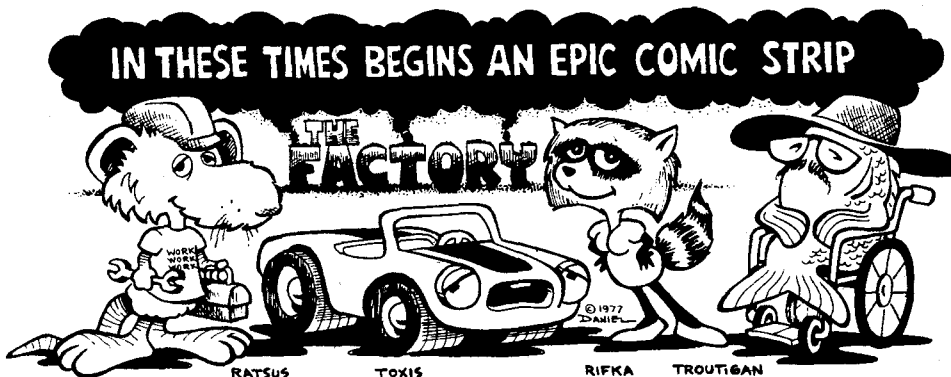
1. The views expressed are my own and not those of *In These Times*. The fact that they publish me is proof of their independence.

2. Nearly all the criticisms you make are valid and I would agree with them in whole or in part.

3. Smith did not deal at all with whether or not the USSR is a socialist state, if not, why not, if yes, what kind of socialism. Since he didn't raise the issue, I didn't either. I simply reported that he was very good on telling us about dissenters, avant gard art, privileges for ruling groups, etc., and not so good on agriculture and industry.

4. In this context I stand by the statement you find objectionable, namely that Soviet economic problems are neither "as crippling nor as refractory as those faced by our American economy," although I said that their problems are indeed serious. I would add now that in part they are because of the problems to which you point. Nevertheless, what I said does not imply approval or disapproval of the way the Soviets do things, or the way Stalin did.

5. Finally, my own political position: I consider myself an independent Marxist and socialist who believes that each nation must find its own way to socialism, shaped by its own history and traditions. In general, I find myself closer to the ideas of the Italian Communists than to the ideas of Soviet Communism or British social democracy.



THERE'S A PLACE I ALWAYS GO, A PLACE THAT OTHERS MAY NOT KNOW THAT KEEPS ME SANE AND HAVING FUN, SPARES MY BROILING IN THE SUN, ESTABLISHES ROUTINES AND GOALS, FAVORING HE THAT GOLFS OR BOWLS, SPONSORS EVERY WEEK A DANCE TO GET IN SOMEONE ELSE'S PANTS, HELPS ME PAY FOR FOOD AND DRINK AND DAILY VISITS TO MY SHRINK.