

Editorial

Carter surrenders to corporate interests

President Jimmy Carter's fiscal package may be tested against two basic American values. Is it pragmatic? And is it democratic? This is a fair test since the American people generally believe in a democratic pragmatism devoted to the general welfare.

Carter has gone to great lengths to cast himself in the image of Franklin D. Roosevelt, complete with televised chats by the White House fireside. Roosevelt is known as the consummate pragmatist, and Carter and his advisers like to be known as "a group of earnest hard-driving pragmatists." (Leonard Silk, *New York Times*, Dec. 16, 1976.)

A pragmatist applies rational means to achieving desired ends, free from prejudice, customary bias, or vested interest. During the campaign, Carter's stated ends were full employment without inflation, and at least in the first year of his term a reduction in the unemployment rate to below 7 percent. His fiscal package will not come close to doing that.

Instead, Carter has changed his ends to fit means that are not free of bias or interest. He has redefined full employment as 5 percent unemployment, up from 2 percent definition after World War II, and from the 4 percent definition a few years ago. He has told us that a 5-7 percent unemployment rate is a "likely prospect" through 1980.

Like all the experts, Carter acknowledges that an annual growth rate well above 6 percent would be necessary to reduce unemployment significantly. But the highest sustained growth rate of the corporate economy since World War II was the 5.4 percent level in the 1961-1966 boom, and Carter's program settles for 5.5 percent or less through 1980.

Carter's pragmatism, like FDR's, is the kind that convinces the people to put up with high unemployment and a stagnant, inequitable economy over a relatively long period. It is not the kind that actually solves economic problems. But this is not the 1930s. It remains to be seen whether Carter will have any more success in the 1970s than did Ford.

In any real sense, Carter and his advisers are no pragmatists. As Thorstein Veblen might have told them, rather than take effective measures to establish a healthy economy, they limit their options to the social constraints and ideological preconceptions of corporate capitalism. Carter says, "I believe in a free market system and always have," and again, "I wouldn't want to disrupt the free enterprise system." Rational, pragmatic economics, and capitalism are two different things. You can't have both.

Corporate capitalism is a social system and an ideology that commands and exploits our economy. In America, you are an "ideologue" if you want to deal with economic problems in the most practically effective way, and a "pragmatist" if you insist on the prerogatives of capital. An expanding public sector, embracing energy, transportation, housing, education, health and medical and other programs, public planning by democratic discussion and for the democratic ends of equal opportunity and wider participation in running the economy, would limit corporate growth and power.

By this standard, the founders of American pragmatism, Charles S. Peirce, William James, and John Dewey were "ideologues." They all believe that the profit system was incompatible with social efficiency, true individuality, and democratic values in an industrial, cooperative society such as the United States had already become in their times and is today.

That brings us to the second test. Is Carter's package democratic? Here nothing better illustrates the chasm between the electoral process and the policy-making power in the nation's political structure. As *Business Week* (Feb. 7) and all other informed observers have pointed out, Carter's package is drawn in terms almost identical to those programs pushed by such corporate planning agencies as the Committee for Economic Development and the Business Roundtable. The program is designed to win "business confidence." It centers on a tax rebate for individuals and investment



tax credits for corporations, rather than on full employment planning and efficient use of resources for solving major social and economic problems.

In effect, the Corporate Power, through its domination of the Executive branch, exercises a veto on the results of the electoral process. It holds the same veto power in readiness for use against the Congress. Whatever the written Constitution, the U.S.'s real constitution includes private governments called corporations that can nullify the people's will either by controlling the Executive branch, or by sabotaging economic programs passed by Congress, in effect staging a capital strike that no injunction can reach.

Carter's package, like his longer-term outlook, is democratic neither in formulation nor design. It represents corporate priorities virtually to the exclusion of proposals from labor, black leaders, women's groups, the conference of Mayors, and other noncorporate sources.

Carter's program dramatically reveals that corporate capitalism cannot be squared with pragmatic and democratic

approaches to the nation's urgent social and economic problems. By campaigning on appeals to the people's democratic aspirations and then framing policy dictated by corporate priorities, Carter and all other such politicians, however well-intentioned, demean the electoral process and undermine popular respect for the practical efficacy of representative democracy.

The people's recourse now is to formulate programs for democratic planning for full employment and social progress in conferences within and among their own organizations. They can propagate these programs and press them upon Congress, and they can prepare to elect to Congress people from their own ranks who will fight for them. They can let Congress and the President know that they cannot serve two masters—both the corporate system and the constitutional obligation to provide for the general welfare. Socialists, especially now, are in a position to appeal to the American people's sense of pragmatism and democracy against the corporate ideologues.

Repression in Russia and Eastern Europe

The State Department's condemnation of Czechoslovakia for its harassment of the signers of Charter '77 and its subsequent warning to Moscow not to silence Andrei D. Sakharov, the prominent Soviet dissident, seem to be little other than propaganda ploys, designed for home consumption. Secretary of State Cyrus Vance and President Carter assert that they had no advance notice of the State Department's criticism, but that they agree with its thrust. At the same time, however, Vance declined to extend such criticism to Chile and South Korea, both of which at present are considerably more repressive than the Soviets.

In fact, Soviet and Czech dissidents can expect little more help from the new administration than from the old, both of which cynically exploit dissenters for their own political ends.

But the lack of political freedom in the Soviet Union and in Eastern Europe is a matter of genuine concern for socialists everywhere, both because it violates the basic principles of socialism and because what happens in the world's first socialist country and in its European sphere of influence tends to define what people everywhere, even in the Soviet Union and Eastern Europe, understand and perceive

socialism to be. It is important to understand why the Soviets and the Eastern European governments are the way they are; and it is equally important to do whatever can be done to democratize them.

There are several historical reasons for the character of Soviet and Eastern European society. Although Russia had a socialist revolution in 1917 it was then, and remains, a society without democratic experience or tradition.

The semi-feudal czarist regime that the Bolsheviks overthrew was the most repressive and bureaucratic in all of Europe. Free association, free speech, democratic elections were virtually unknown, and while they were issues raised in the course of the revolutionary struggle, they were not the central issues that brought the Communists to power. The slogans of the revolution were Bread, Land, and Peace.

Immediately after the seizure of power there was a short-lived flowering of democratic participation and activity, but with the start of counter-revolutionary civil war, supported by direct intervention from the major European powers and the U.S., all the old authoritarian habits reasserted themselves under the pressure of military necessity. For many reasons

the old ways have never since been fully overcome, either within the party or in society at large.

The Eastern European regimes have a different history, but one that has produced the same results. With the exception of Yugoslavia, which managed to break out of the direct Soviet sphere of influence in 1949, none of the Eastern European nations had their own revolutions.

The Communist regimes came to power as a result of the division of European spheres of influence. At first, following World War II, they justified their repressive governments as necessary within the context of the Cold War. Since countries like Hungary, Poland, and, to a lesser degree, Czechoslovakia, still had substantial pro-capitalist and pro-Western elements, democracy might have threatened the pro-Soviet governments, and thus Russian security.

But as the Cold War began to thaw, and particularly later with detente, Soviet security lost persuasiveness as a reason for the status quo and revolts broke out against the lack of democracy and the slow pace of material progress. These expressed different tendencies, some looking backward to the old regimes, others

forward to a democratic socialism.

The rise of Eurocommunism in western Europe has strengthened the hand of the dissidents who look toward a more democratic socialism while it has inhibited both the West and the Soviets from brutal maneuvers. The most recent expressions of dissatisfaction give reason for optimism. They do not speak for capitalist restoration, or for the Church, but for democratic socialism. Nevertheless, both the Soviet Union and the Eastern European regimes of Poland and Czechoslovakia have clamped down on the dissidents.

In Western Europe, the main support for dissent has come from the Communist parties themselves. In the U.S. the Carter administration has now emerged as the leading public force against the repression.

But the only possible path away from repressive government for the Soviets or Eastern Europe lies in the direction of democratic socialism. It is particularly important, therefore, for socialists to speak up loudly and clearly as supporters of the movements of dissidents both in the Soviet Union and in the rest of Eastern Europe.