Trilateral Commission [1]

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New Members - #4

THE TRILATERAL COMMISSION
345 EAST 46TH STREET
NEW YORK, N. Y. 10017
212-661-1180

C

GERARD C. SMITH
NORTH AMERICAN CHAIRMAN
1666 K STREET, N. W.
WASHINGTON, D. C. 20006
202-872-6263

May 13, 1974

The Honorable
Jimmy Carter, Jr.
Governor of Georgia
State Capitol
Atlanta, Georgia 30334

Dear Governor Carter:

This is to let you know that the North Americans on the Trilateral Commission's Executive Committee have approved three new members from Canada as Commissioners: George Creber, Peter Dobell, and Arne Nielsen, whose cv's are attached. Peter Dobell has already been very helpful in putting the Canadian group together and the others have been recommended strongly by their colleagues.

We expect all of them to be at the meeting on May 29 and 30 and I hope that most of you will be there to meet them.

Very sincerely,

George Franklin

George S. Franklin
North American Secretary

BIOGRAPHY

NIELSEN, Arne R., B.Sc., M.Sc.,
President and General Manager,
Mobil Oil Canada Ltd. (established 1962)
Petroleum Exploration and Producing,
Manufacture and Marketing of Paints and Finishes,
330 5th Avenue S.W.,
Mobil Tower,
Calgary, Alberta.

Vice-President and Director: South Saskatchewan Pipeline Company; Rainbow Pipeline Company Limited; Petrol Gas Processing Limited;

Director, Toronto-Dominion Bank;

Vice-President and Director, Les Peintures Mobil du Quebec Limitée;

Chairman, Board of Governors, Canadian Petroleum Association (1970-71);

Member, National Advisory Committee on Petroleum.

Born: Standard, Alberta - July 7, 1925.

Son of A.H. and M.C. Nielsen.

Educated elementary and high schools, Standard, Alberta, University of Alberta B.Sc. First Class Honours and Honours Geology and M.Sc. Geology.

Junior geologist, Mobil Oil Canada, Calgary, 1950;

District geologist, Edmonton (1952);

Staff geologist, Calgary (1955);

Mobil Oil Corporation, N.Y. (1957);

Exploration Manager, Mobil Oil Corporation, Denver, Colorado (1959); Houston, Texas (1962);

Vice-President, (Exploration) and Director, Mobil Oil Canada, Calgary (1966);

President and General Manager and Director, (1967 to present)

Trooper in Canadian Armoured Corps, Canada (July, 1943, to December, 1945);

.../2

Married Evelyn B.V. Nielsen, daughter of the late Marius M. Nielsen, September 21, 1947.

Has six sons: Alan, Brian, Robin, Gary, Paul and Kent.

One daughter: Diane

Clubs: Alberta Society of Petroleum Geologists;
American Association of Petroleum Geologists;
American Institute of Professional Geologists;
Calgary Petroleum Club;
Glencoe Club;
Houston Geological Society;
Professional Engineers of Alberta.

Religion: Lutheran

Residence: 4404 Britannia Drive,
Calgary, Alberta.

GEORGE EDGAR CREBER

Born: September 12, 1927
Toronto, Ontario, Canada.

Parents: Canadian

Education: Graduated - B.A. Political Science and Economics, University of Toronto

- Osgoode Hall Law School, Toronto, Ontario. Called to the Bar of Ontario 1953.

- Appointed Queen's Counsel January 1, 1966.

Professional Positions Held:

1951 - 1955	Associated with J. S. D. Tory
1956 - 1961	Borden, Elliot, Kelley & Palmer
1962 - 1969	Partner - Wahn, Mayer, Smith, Creber, Lyons, Torrance & Stevenson
January, 1969	President and Managing Director, George Weston Limited
Present Position:	President of George Weston Limited.
	Presently Director of various Weston companies and the Canada Trust Company, Consumers' Gas Company and on the Board of Governors of The Ontario Research Foundation

Marital Status:
Married - Two Children

BIOGRAPHY

Peter C. Dobell

Born:	1927
Universities:	Toronto and Oxford
1952-1968:	Member of Department of External Affairs
1968-date:	Director of Parliamentary Centre for Foreign Affairs and Foreign Trade, a private corporation which assists Members of Parliament in the field of international affairs.
	Adviser to the House of Commons Committee on External Affairs and National Defence and the Senate Committee on Foreign Affairs.
	Director of the Ottawa office of the Canadian Institute of International Affairs.
	Secretary-Treasurer of Institute for Research on Public Policy.
	Director of the secretariat of the Canadian group of the Trilateral Commission.
	Initiator and organizer of the Canada-U.S. Legislative Visits Programme whereby members of the Canadian Parliament and U.S. Congress make short visits to study specific topics with officials and experts in the other country.
	Author of a book on Canadian foreign policy entitled "Canada's Search for New Roles".

THE FEASIBILITY OF AN OCEAN STUDY

prepared for

THE TRILATERAL COMMISSION

by

Ann L. Hollick, Consultant

May 6, 1974

As part of planning our Trilateral Policy Program, Dr. Ann Hollick, Executive Director of the Ocean Policy Project at the School of Advanced International Studies of the Johns Hopkins University, Washington, D.C., was commissioned to undertake a feasibility study on the oceans. In preparing her report, she undertook extensive consultations with members of the Trilateral Commission and experts, including the following:

David M. Abshire, Chairman, Georgetown University Center for Strategic and International Studies
Koichi Baba, Director, International Affairs Department, Environment Agency of Japan
Lucy Wilson Benson, President, League of Women Voters of the United States
Alvaro DeSoto, First Secretary, Peruvian Mission to the United Nations
Peter Dobell, Director, Parliamentary Center for Foreign Affairs and Foreign Trade, Ottawa
Daniel J. Evans, Governor of Washington
Julian Gresser, Visiting Professor of Law, Doshisha University, Kyoto
Michael Hardy, Commission of the European Communities
Takashi Hasegawa, Deputy Director, International Affairs Department, Environment Agency of Japan
Kazushige Hirasawa, Radio-TV news commentator, Japan Broadcasting Inc.
Thomas L. Hughes, President, Carnegie Endowment for International Peace
Minoru Ishida, Chief Engineer, Steel Structures Division, Ishikawajima-Harima Heavy Industries Co., Ltd.
Yasumaru Ishii, Director, Nippon Steel Corporation
Hidetsugu Ishikura, Director General, Japan Marine Science & Technology Center
Hiroshi Peter Kamura, Assistant Director, Japan Center for International Exchange
Isao Kikuchi, General Manager, Manganese Nodule Center, Non-Ferrous Metals Administrative Department, Mitsui & Co.
Yuji Kitahara, Managing Director, Petroleum Producers' Association, KEIDANREN
Kazuo Koike, Assistant Director, Science and Development Department, Federation of Economic Organizations (KEIDANREN)
Kenichiro Komai, Chairman, Hitachi Ltd.
Hiroshi Kamogawa, Chief Specialist, General Engineering Department, Tokyo Shibaura Electric Co. Ltd.
Akira Kumagai, Professor, National Defense College
Takeo Kurita, Science and Development Department, Federation of Economic Organizations (KEIDANREN)
Hideyuki Matsuishi, Manager, Ocean Development Division, Ohbayashi-Gumi, Ltd.
Cornel Metternich, First Secretary, German Mission to the United Nations
Kiichi Miyazawa, Member of the Diet; former Minister of International Trade and Industry
Makoto Momoi, Professor, National Defense College
Motokichi Morisawa, Senior Managing Director, Japan Fisheries Association
Tomoyuki Moritani, Senior Geologist, Marine Development Division, Research Coordination Bureau, Science & Technology Agency of Japan
Kinhide Mushakoji, Director, Institute of International Relations, Sophia University, Tokyo
Masaaki Noguchi, Deputy Director of Marine Development, Resource & Energy Agency, Ministry of International Trade and Industry

Shigeru Oda, Law of the Sea Office, Ministry of Foreign Affairs
Shunichi Ohkuchi, Senior Managing Director, Nippon Suisan Kaisha Ltd.
Saburo Okita, President, Overseas Economic Cooperation Fund
Hisashi Owada, Director of Treaties, Ministry of Foreign Affairs
David Packard, Chairman, Hewlett-Packard Company
Tetsuya Senga, Managing Director, Federation of Economic Organizations (KEIDANREN)
Takeshi Shiki, Managing Director, Technical Research Institute, Taisei Corporation
Shinichi Sugihara, Director General, Law of the Sea Office, Ministry of Foreign Affairs
Masao Sugimoto, General Manager, Hitachi Research Institute, Hitachi Ltd.
Ryuji Takeuchi, Former Ambassador to the United States
Cyrus R. Vance, Partner, Simpson, Thacher & Bartlett
Daniel Vignes, Secretariat, Commission of the European Communities
Paul C. Warnke, Partner, Clifford, Warnke, Glass, McIlwain & Finney
Katsuo Watanabe, Manager, Industrial Department (Ocean Industry Development), Nippon Kokan Kabushiki Kaisha
Takeshi Watanabe, Japanese Chairman, The Trilateral Commission
Carroll L. Wilson, Professor of Management, Alfred P. Sloan School of Management, Massachusetts Institute of Technology
Hiroshi Yamaguchi, Director, Assistant General Manager, Ship Division, Mitsui Shipbuilding & Engineering Company, Ltd.
Tadashi Yamamoto, Japanese Secretary, The Trilateral Commission
Kunio Yonezawa, Counselor, Department of Oceanic Fisheries, Fishery Agency, Ministry of Agriculture and Forestry

At the center of the present international negotiations on law of the sea is the issue of the allocation and use of ocean space. The fundamental conflict lies between coastal economic interests and global maritime interests, or, translated into legal terms, between the concept of sovereignty and the concept of freedom. The most pronounced political division to date, and that with the greatest potential for serious conflict, has been between coastal developing nations on the one hand and maritime powers on the other.

Beyond this, the political and economic interrelationships in ocean space become exceedingly complex. Within an area comprising almost three quarters of the earth's surface the network of ocean uses and policy proposals includes seabed mineral exploitation, development of an international regime to govern that exploitation, coastal state resource zones, fisheries management, international revenue sharing, islands and archipelagos, international straits and navigation, preservation of the marine environment, and marine science research. The picture is further complicated by the fact that over 145 national actors are participating in international negotiations regarding these issues. The differences between these nations include disparate levels of economic development and technological capability, as well as vastly different geographical and resource situations. The resulting alignments are numerous and sometimes improbable. Among them are alignments between the poorest of the developing world--the land-locked states--and the wealthy maritime states, both seeking to limit offshore jurisdiction, for different reasons, or between resource-poor and resource-rich developing nations concerned with controlling production from the deep

seabed, again for different reasons.

Since 1967 the principal forum for negotiations between these contending forces has been the United Nations Seabed Committee. After six years of deliberation, the work of this Committee was transferred to the Third United Nations Conference on Law of the Sea which opened in December 1973 in New York. Scheduled to follow this organizational session are substantive sessions of the Conference in Caracas in the Summer of 1974 and in Vienna in 1975. The Seabed Committee meetings and the Conference have played an important diplomatic and political role. They have provided a forum for the exchange and accommodation of differing views as well as for the education of new national participants. The highly politicized nature of this forum has precluded a comprehensive functional approach to the management of ocean space. The search for political leverage and trade-offs, however, has led the Seabed Committee to adopt a comprehensive political approach in the form of a single international treaty covering the disparate issues of ocean space. The avowed goal of resolving the 26 Conference agenda items in a single international agreement compounds the problem of accommodating many national interests in the oceans. In the absence of political agreement, an effective as well as widely accepted treaty remains a distant goal.

While negotiators are meeting to develop a general body of international rules to govern ocean space, technological developments facilitating new and intensified uses of the oceans are proceeding even more quickly. The rapid pace and unpredictable direction of ocean technologies, in the absence of international ocean institutions, portend increasing difficulty for the accommodation of multiple ocean uses in a pattern of harmonious relations.

Ad hoc approaches to problems of fisheries, pollution, and offshore installations, to mention a few, are becoming more and more unsatisfactory.

Representing many of the major users of ocean space, the Trilateral Commission has an obvious interest in promoting a cooperative response to the evolving problems of ocean space. That the problems of ocean space cannot be definitively resolved in a single international treaty either in 1974 or 1975 is evident. Any Commission effort therefore must look well beyond present political negotiations to consider the future directions of technology and the evolution of international institutions that might reduce the incidence of conflict in the oceans and help to resolve that which occurs anyway.

The multinational Commission has the opportunity to set a useful precedent for the current negotiations--through a cooperative functional approach to the problems of ocean space. The thirteen member nations represented on the Commission participated in the 1958 and 1960 U.N. Conferences on the Law of the Sea, where they constituted an influential minority of the ninety-odd participating states. The majority of Commission states sought then as now to limit the extent of coastal state jurisdiction through the adoption of an international treaty. The attitude of most member nations has since evolved to the recognition that restricting unilateral coastal state assertions is not an adequate response to management and preservation of the oceans. As high technology nations, and as those that use the oceans most intensively--for shipping, fishing, seabed resource exploitation, scientific research, and regrettably, as a sink for pollutants--the Commission member nations bear a special responsibility. The experience of Commission

member nations in rapid technological change and regional ocean institutions must be brought to bear in evolving a regime for ocean space in which all nations have a stake.

Given the dependence of Commission member nations on the oceans (for a variety of reasons), a cooperative approach might appear easy as well as worthwhile. Such, however, is not the case. The first and greatest difficulty in a cooperative undertaking is that, despite their similarities, Commission member nations have different national interests in the oceans reflected in different national policies. Indeed, with a few exceptions, all of the national geographical and resource situations represented in the U.N. negotiations are represented among the Commission membership. Included are land-locked and shelf-locked states, long and short coast states, wide and narrow margin states, islands and archipelagic states, resource-rich and resource-poor states.

The major feature which links Commission member states is their level of technological capability and their intensive use of ocean space. It is this common bond which is the second source of difficulty in a cooperative Commission ocean study. Representatives of developing nations might easily misinterpret a Commission undertaking as a coalition against their legitimate interests.

The second difficulty is, in a sense, more easily resolved than the first. No Commission study of the oceans can be complete without encompassing the perspective of the developing nations. In the case of the oceans, a viable ocean regime cannot exist without providing for the special needs and interests of developing states in ocean space. To ensure inclusion of this

Trilateral Commission Member States:
Geographic Situation and Territorial Sea Claims[a]

Country	Coastal length (nautical miles	Margin Area to 3,000 m. depth (square naut. miles)	Margin Area to 200 naut. miles (square naut. miles)	Territorial Sea Claims (naut. miles)
Belgium	34	800	800	3
Canada	11,129	1,240,000	1,370,000	12
Denmark	686	20,000	20,000	3
France	1,373	75,800	99,500	12
Federal Republic of Germany	308	11,900	11,900	3
Ireland	663	84,100	110,900	3
Italy	2,451	160,000	161,000	6
Japan	4,842	440,900	1,126,000	3
Luxembourg	...	...	...	..
Netherlands	198	24,700	24,700	3
Norway	1,650	463,700	590,500	4
United Kingdom	2,790	281,800	274,800	3
United States	11,650	862,600	2,222,000	3

[a] Sources:

Albers, John P., et al., Summary Petroleum and Selected Mineral Statistics for 120 Countries, Including Offshore Areas. Geological Survey Professional Paper 817, Washington, D. C., U.S. Government Printing Office, 1973, p. 125.

United States, Department of State, National Claims to Maritime Jurisdictions, International Boundary Study, Limits in the Seas (Series A), No. 36, 1st Revision, 1973.

perspective, developing nation representatives must participate in all stages of a Commission study of the oceans.

The first difficulty, that of divergent national interests of Commission members in ocean space, requires a functional approach based on the common interest in the orderly use of ocean space and on similar levels of technological capability. The alternatives to a cooperative approach must be clearly foreseen--increased levels of conflict over control of islands, over seabed mineral deposits, over fishery resources, and over navigation. In addition to recognizing the adverse consequences of confrontation for those nations most dependent upon the oceans, a trilateral approach must be based on available data regarding current and projected ocean technologies. This information is indispensable to anticipating future uses of the ocean that may engender conflict and require accommodation. Above all, the interests and policies of respective Commission member nations--present and future--must become familiar to all. Only through an awareness of differences and the reasons for them may accommodations be developed that go part way toward meeting the needs of each and all.

THE ECONOMICS AND POLITICS OF THE OCEANS

A study of the oceans fits within the two broad categories of concern to the Trilateral Commission: economic or resource questions and political problems.* With the advance of technology and the growth of populations, the

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* While the impact of military uses on other uses of the oceans must be clearly understood, it would not constitute the object of in depth study.

resources of the oceans--including minerals, fisheries, transportation, and waste disposal--are no longer regarded as infinite. Given their economic value, they are the object of increasing contention between nations. This contention inevitably spills over into other areas of political interaction. The appropriation of vast areas of the oceans and their resources through the adoption of 200 mile economic zones is altering the power bases of nations and the relations between them. In the area beyond national jurisdiction, international institutions are being discussed to distribute resources equitably or otherwise. Indeed the pattern of relations evolving in the law of the sea negotiations will have a lasting impact on the structure of the international system.

Seabed Mining: Petroleum and Manganese Nodules. In 1970, 19% of the world's petroleum was recovered from offshore wells. Prospecting was underway off the coasts of seventy-five nations, drilling off forty-five and producing off more than thirty. By 1980 the projections are that 30-35% of world petroleum will be produced from offshore areas--with higher figures for subsequent years. Storage tanks, supertankers, superports and all of the associated infrastructure will be located in the oceans--not to mention nuclear reactors and other energy-related uses of the oceans. The problems of intensified seabed uses in the coastal areas are multiple. Fishing, navigation and recreational uses are directly affected by the proliferation of petroleum-related structures. These activities become a source of international conflict when the distance from shore increases and the ocean activities of other nations are affected.

Present scientific evidence indicates that petroleum deposits of commercial significance are to be found in the underwater extensions of continental land masses. Manganese nodules of commercial interest, on the other hand, are located in the deepest areas of the seabed. First discovered in 1898, manganese nodules have only recently become an object of intense interest. In 1971 nineteen organizations in five nations were developing technology required for recovering and processing. Research and development are now underway by more than 30 companies in Japan, Germany, the United States, and France, and commercial production is projected for as early as the late 1970's. Given the location of these resources in the deepest areas of the seabed and the ability of only a few nations to undertake their exploitation, the issue of nodule mining has already generated substantial controversy between the developed and developing nations and has the potential for further conflict among the developed states.

The extension of coastal state jurisdiction over the resources of the continental shelf was provided for in the 1958 Geneva Convention on the Continental Shelf. The outer limit of the legal continental shelf was left flexible--the depth which admitted of exploitability. As technology has rendered the deepest parts of the ocean accessible to man, the question of the limit of coastal state jurisdiction has become acute. Extensions of national jurisdiction into the oceans have provided uneven benefits for nations endowed with long coastlines while they reduce the area of the international or non-national seabed. The prevailing trend in the law of the sea negotiations has been in the direction of support for 200 mile economic zones. Commission members adopting this position include Norway and Canada, who also advocate seabed resource jurisdiction beyond 200 miles to the foot of the continental margin.

The land-locked and shelf-locked members of the Commission, Luxembourg, Belgium, the Netherlands and the Federal Republic of Germany, favor limitations on coastal state seabed jurisdiction to the 200 meter isobath or to a distance of 40 miles. Japan and the United States have indicated their recognition of the majority sentiment in favoring a resource zone beyond the territorial sea. Both have asked that the outer limit be fixed by general agreement and the United States has gone on to stress the importance of certain international standards and sharing of revenues in the zone.

In the deep seabed beyond the coastal state economic zone, several proposals on an international regime and machinery are being considered. Developing nations have proposed an "Enterprise System" according to which the Seabed Authority would be exclusively empowered to exploit the deep seabed either through service contracts or joint ventures with companies or states. Most Commission members have proposed a variety of licensing systems. Canada has most recently proposed combining licensing with direct exploitation by the International Authority.

Living Resources: In 1950 the world catch of seafood was 25 million metric tons. The figure trebled by 1973 to 75 million metric tons-- a substantial percentage of the global production of animal protein. This increase was accompanied by the depletion of some coastal stocks of fisheries, despite the fact that some fishery experts envisage a sustainable annual harvest of 300-400 million tons. To reach and maintain this upper limit, however, assumes the development of effective international arrangements for the rational management of world fishery resources. In the absence of such arrangements fisheries may be further

depleted and jurisdictional conflict may increase.

Fishing nations fall into three categories: those that fish off their own coasts, those that fish in distant waters, and those that do both. All three types of fishing nations are represented among the members of the Trilateral Commission. Japan is the largest fishing nation in the world with over 70% of her catch taken by her distant water fleets. Norway, in contrast, is the world's fifth largest fishing nation, but takes the bulk of its catch in coastal waters. Regardless of the source of the catch, both nations are dependent on their fisheries--Japan for 50-60% of the animal protein consumed and Norway for 2% of its GNP and over 10% of its exports. The United States fishes off its own shores as well as those of other nations, but accords lower priority to this issue than Japan and Norway.

As with regard to seabed resources the trend in the U.N. negotiations is in the direction of an extended resource zone of up to 200 miles. Norway has lent her support to that position. Canada has sought to combine a 200 mile zone with a species approach. Supported by the United States, the species approach calls for coastal state management and preferential rights with respect to coastal and anadromous species and for international management of highly migratory stocks. Japan, Germany and England are the most strongly opposed to the extension of coastal state fisheries jurisdiction and have proposed various measures to avert such extensions. Belgium and the Netherlands have advanced special proposals for resource and revenue sharing in fisheries zones.

Commerce and Navigation: Commercial shipping generates an estimated $40 billion of revenue annually and thirty nations now have fleets of over one million tons

each. Sea-based transportation of bulk cargo doubled between 1960 and 1970 as the oceans became increasingly vital to international commerce. As larger and more efficient vessels are developed and traffic density increases significantly, shipping lanes become overcrowded, especially international straits. While the use of the oceans for transport is growing, coastal state claims are also growing. Claims to some form of jurisdiction in the oceans, whether archipelagic waters or economic zones, threaten, in one forecast, to ultimately place as much as 80% of ocean space under some form of coastal state jurisdiction. Twelve to two hundred mile territorial seas pose a special problem because no right of overflight is encompassed in the concept of innocent passage. The development of a multiplicity of regulations and requirements for authorization to pass through coastal waters or the imposition of arbitrary tolls for passage through international straits can be expected to raise the cost of sea and air transit and in some cases impede it.

The majority of Commission member nations are either major maritime states or are heavily dependent on international commerce. Of particular concern to these nations is the transport of energy supplies. Several Commission members--Luxembourg, the Netherlands, Belgium, and the Federal Republic of Germany--are either land-locked or shelf-locked and thereby have a special interest in avoiding impediments to navigation arising from coastal state resource jurisdiction. Other Commission members, however--notably Canada, Japan and Italy--share a concern that straits over which they have jurisdiction not be viewed as or used as international straits. Of these, Canada has gone the furthest in adopting a 12 mile territorial sea and a policy of coastal state authority over vessels operating in pollution prevention zones of up to 100 miles.

Trilateral Commission Member States:
Nationality of Merchant Vessel Fleets[a]

Country	Ship Tonnage (millions of gross tons)	Number of Ships (all kinds)	Tanker Tonnage (millions of gross tons)	Number of Tankers
Belgium	1	224	0.3	18
Canada	2	1,235	0.25	64
Denmark	4	1,331	1.9	84
France	7	1,390	4.2	124
Federal Republic of Germany	9	2,546	1.9	142
Ireland	..	...	...	...
Italy	8	1,684	3.1	308
Japan	35	9,943	12.7	1,465
Luxembourg	..	...	...	...
Netherlands	5	1,452	1.9	106
Norway	23	2,826	10.7	367
United Kingdom	29	3,700	13.7	600
United States	15	3,687	4.6	327

[a]Source: Lloyd's Register of Shipping Statistical Tables 1972, London, 1973.

Italy opposes freedom of transit through straits less than six miles wide. And Japan, which is presently responsible for the construction of half the world's ships, calls for coastal state enforcement of international pollution and collision regulations. The United States and the United Kingdom are strong supporters of freedom of transit through and over all international straits.

Ocean as a Sink: The protection of the marine environment is an issue area which perhaps best illustrates the need for international cooperative approaches to the use of the ocean. In addition to pollution caused by land based sources, oil seepage, spills, dumping, discharges or shipping accidents have harmful effects on the living resources of the sea as well as on its recreational uses. Polluting agents are dispersed widely through the sea, carried by currents and wind in an unpredictable fashion. Thus a substantial number of states may become involved in a single pollution incident. If an oil tanker breaks up, affected parties might include the flag state of the vessel, the state whose waters it has transited, the state within whose waters the spill occurs, the states suffering damage, the state to which it is destined, the state of the vessel owner and the state of the cargo owner. While the oceans serve as a final sink for the world's wastes and other pollutants there are limits to their assimilative and regenerative capacities which may be exceeded only at a high cost to mankind's welfare. In one gloomy prognosis there will be no life in the world's oceans in 25 years at present rates of ocean pollution.

Policies adopted in the international arena toward the prevention of marine pollution have been determined by political considerations of coastal

state jurisdiction versus international rights and duties. Differences regarding prevention of pollution from seabed exploitation divide into (1) support for minimum international standards plus the right of coastal states to set higher standards for activities under their jurisdiction, and (2) the view that there need not necessarily be minimum international standards.

Regarding standards for vessel source pollution, the differences are more numerous. The United States insists on exclusive international standards to be enforced by the flag state or port state. Canada, on the contrary, favors the right of the coastal state to establish and enforce supplemental standards within a broad zone adjacent to the territorial sea. Japan and France have adopted a position somewhere between these, calling for coastal state enforcement of international standards and rules in a broad coastal zone. While the developed countries agree at least on the desirability of minimum international standards, some developing countries favor exclusive coastal state competence to set and enforce standards in an economic zone. They feel that pollution is largely a by-product of development and fear the added costs and restrictions on the national economic development that could be posed by pollution standards.

A COOPERATIVE RESPONSE TO OCEAN PROBLEMS

Given the economic magnitude of ocean resources and the diversity of national policies toward control of those resources, a functional approach to a Trilateral Commission study of the oceans would be most likely to provide a basis for harmonization of multinational views. Such an approach should accept as its premise the political reality of prevailing sentiment favoring 200 mile

economic or resource zones with an international area beyond these limits. Within and across these two jurisdictional areas the issues to address would include the management and conservation of oceanic resources to yield maximum economic benefits and the establishment of political arrangements to ensure that these benefits are equitably distributed.

The problems of conflict and crowding in the development of oceanic resources are, of course, most acute within coastal zones. It is here that international shipping and distant-water fishermen meet petroleum rigs, local fishermen and other coastal zone users. The situation changes the greater the distance from shore. Presently attractive ocean resources, with the exception of manganese nodules, become scarcer in deep ocean areas. Coastal state authority decreases correspondingly. Beyond national jurisdiction, the United Nations has deemed the seabed "the common heritage of mankind." The opportunity exists to devise legal regimes to govern the use of international areas as well as to create guidelines and institutions to accommodate coastal and international interests in the near shore areas.

On the resource issues of concern to the Trilateral Commission, a great deal of research remains to be generated to provide a basis for sound policy formulations regarding management and conservation. Among the questions pertaining to the production and distribution of seabed minerals are the impact of mining on other ocean uses, its effect on world mineral prices, the environmental consequences, the prospects for generating development revenues, the means of sharing technologies and comparative merits of alternative mining laws. With regard to living resources, a global perspective on patterns of protein production and consumption should be combined with basic research on achieving

maximum sustainable yields with efficient methods of harvesting, the contribution of aquaculture, and scientific means to determine optimum levels of fishing effort. An analysis of shipping practices might focus on the issues of safety and environmental protection in increasingly congested navigation corridors, with vessel construction standards, equipment requirements, and training of crews among the issues for specific consideration. Similarly, baseline data is needed on the marine environment, major sources of pollution, their short and long-term effect, the results of international attempts to control pollution and the cost of pollution prevention measures.

In addition to stimulating basic research, the Trilateral Commission should explore the possibilities for creating international and regional institutions which would serve the ocean needs of all states--developed and developing, consuming and producing, land-locked or shelf-locked and coastal. International institutions are needed to perform a number of essential technical and administrative functions:

--to administer exploitation of seabed mineral resources and distribute revenues therefrom;

--to collect and disseminate scientific data on fisheries;

--to review and certify legitimate scientific investigations in the oceans;

--to implement technical rules and regulations on navigational practices and safety standards, with particular regard to pollution prevention norms;

--to facilitate technical assistance and the transfer of needed scientific skills and data to developing nations.

The goal of the Oceans Study would be to foster trilateral cooperation within the larger context of cooperation between the developed and developing world. Emphasis would be placed on the initiation of research needed for sound policy formulations and on systematic comparison of policy recommendations made by various groups. Such an approach would be most likely to provide the essential foundation for a meaningful multinational concensus and lead to the development of viable cooperative arrangements.

POSITIONS ON LAW OF THE SEA
OF
TRILATERAL COMMISSION MEMBER COUNTRIES

Belgium	Italy
Canada	Japan
Denmark	Netherlands
France	Norway
Germany	United Kingdom
Ireland	United States

Compiled by Ann L. Hollick
April 1974

INTERMEDIATE ZONE	International area to begin beyond the 12 mile territorial sea at 200 meter isobath or 40 nautical miles. In a 40 mile area, there will be "coastal state priority zone" in which coastal state consent is required for exploration and exploitation.
SEABED REGIME	International Area should be as large as possible to yield benefits. International Authority may recover minerals directly or by means of joint joint venture and service contracts. Two categories of states A (coastal) and B (non-coastal) must be equally represented on all organs. Authority to facilitate communication between land-locked states and their areas. Benefit sharing to take account of LDC's.
STRAITS AND NAVIGATION	Artificial Islands. Coastal state may construct islands in territorial sea after notifying other states. Any disagreement to be referred to IMCO. Islands constructed on the continental shelf must have 500 meter safety zone and be under authority of constructing or coastal state. Islands beyond are to be authorized by the International Authority.

BELGIUM

FISHERIES	Resource jurisdiction (July 1973 joint sponsorship). Breadth is not specified. Land-locked and coastal states that do not declare this zone have right to exploit resources of neighbor's zone on equal basis. Coastal state and its disadvantaged neighbor may reserve portion of the catch they are able to harvest. Developed countries to share revenues from living and non-living resources of zone. The percentage of revenues from mineral resources to increase beyond 200 meter isobath or 40 nautical miles.
POLLUTION	Delegation of power to Coastal State only within the framework of international organization.
SCIENTIFIC RESEARCH	Not all developed states are advanced in marine science research. All should cooperate in developing facilities and equipment.
OTHER	Sponsored resolution (1972) calling for study of alternate limits.

INTERMEDIATE ZONE	Exclusive rights to seabed resources to outer edge of continental margin. Exclusive rights to manage and harvest fisheries within 200 miles. Preferential rights to fisheries beyond 200 mile zone to edge of margin.
SEABED REGIME	Support for system involving mix of licensing and activities contracted by the Authority, including possible direct exploration and exploitation.
STRAITS AND NAVIGATION	Established 12 mile territorial sea in 1970. Innocent passage in territorial seas to explicitly allow coastal state to suspend passage of vessel that may pollute its environment. Innocent passage in straits--minimum form of regulation consistent with protection of environment.

FISHERIES	Species approach combined with resource zone approach: exclusive rights within 200 miles, preferential rights over fisheries to edge of margin. Coastal state exclusive rights to manage and harvest anadromous species throughout their migratory range. International arrangements for wide-ranging species.
POLLUTION	Primary reliance on international standards for vessel-source pollution but coastal state right to establish supplemental standards for special situations and general right to enforce standards within broad zone beyond territorial sea.
SCIENTIFIC RESEARCH	Coastal state right to control and disallow scientific research in areas under its resource or environmental jurisdiction. Requirement of coastal state consent.
OTHER	Claims continental shelf rights to resources of the seabed to the outer edge of the continental margin.

INTERMEDIATE ZONE	
SEABED REGIME	Machinery to regulate only exploitation of resources and related activities. Licenses for prospecting, exploration and exploitation. No control on pure scientific research. Issue to states, not private persons, according to quota system allocating licenses "equitably." Assembly to elect members of Council, approve its budgets and reports, lay down policy guidelines. Council to administer licenses and promulgate regulations; to be less than 25, have permanent membership of states advanced in technology, plus states reflecting regional and geographical differences. Voting on substance by consensus with 2/3 majority as alternative. Tribunal decides disputes between states or states and authority.
STRAITS AND NAVIGATION	Rules on territorial sea should be treated separately from straits. A possible solution to straits might be to have separate rules governing transit through "new" straits affected by a territorial sea. Or, alternatively a separate regime might be established for each particular strait.

FISHERIES	Species approach preferable to wide national fishing zones. Conservation to achieve maximum sustainable yield. Preferential right, based on capacity to harvest, accorded to developing states or to states with populations dependent on fisheries. Geographically isolated populations dependent on distant water fisheries should be allowed to maintain them (resort to negotiations under general LOS rules). Regional arrangements in semi-enclosed seas. Regional fishery organizations should conserve and allocate anadromous and highly migratory stocks. International or regional organizations delegate defined powers to coastal states. Standards for compulsory dispute settlement.
POLLUTION	Need for regional arrangements (Oslo Convention) to supplement global. Internationally agreed rules should give coastal state right to prevent or diminish risk of pollution before an accident occurs. Problem of land-based pollution requires international standards.
SCIENTIFIC RESEARCH	Coastal state sovereign rights over research in territorial sea and over fisheries-related research in fisheries zones. Maintain Continental Shelf Convention's proviso. Define activities that would be subject to coastal state consent. Notification procedure with obligation to report results to international scientific organization concerned and to make data available to coastal state on request. Freedom of research beyond coastal areas.
OTHER	

INTERMEDIATE ZONE	Apply same legal principles to states and their overseas territories.
SEABED REGIME	Two categories of regimes: (1) mining with mobile equipment for nodules calls for simple registration with an international body without claiming exclusive rights. Mining subject to international regulations re pollution, high seas freedom, etc. Convention to determine length of time for a registration and possibility of renewal; (2)mining for hydrocarbons with fixed equipment calls for exclusive rights, area would be granted to State (which has a company applying for title to an area)--for a given period of time. State grants title to company and applies its national law to them. States levy tax on company and may contribute a share to an aid program. International licensing body gets operating funds by assessing tax on surface area allocated to each state. Authority to comprise: Assembly (budget and general policy guidelines), Council (120 members to operate agency), permanent board (7 member technical organ to examine applications and allocate areas), secretariat, arbitration committee.
STRAITS AND NAVIGATION	No change in the regime of innocent passage in territorial seas. In the few straits which are heavily used, pragmatic solutions are required to reconcile coastal state and international community interests. Oppose distinction between States and their island territories where State sovereignty is exercised. Existing law adequate to handle problem of offshore economic zones.

FISHERIES	Right of coastal states in economic zone based on regional considerations. At global level, only general principles are possible. States to apply sound economics plus MSY in cooperation with international fishery organizations. Reserve portion of catch depending on harvesting capacity with remainder to States historically fishing area. Disputes between States or with international fishery commissions to be settled by arbitration.
POLLUTION	Sovereign immunity principle. Coastal state specific rights to suppress acts of vessel pollution liable to damage economic interests. Only international Conventions and regional agreements are enforceable. Beyond that, coastal state may stop and board vessel to conduct investigation, then transmit findings to flag state. If in one month, flag state fails to show it will take proceedings, the coastal state may. Disputes to be referred to arbitration.
SCIENTIFIC RESEARCH	Training and education principal means for transfer of technology. Technology transfer of scientific not industrial technology. Qualified right of coastal state to refuse consent.
OTHER	

INTERMEDIATE ZONE	Economic zone has disadvantage of reducing common heritage of mankind while benefitting those states that are already resource-rich (US, USSR, Canada, Australia). Due to creeping jurisdiction a limit must be established at 200 miles or a fixed distance from shore.
SEABED REGIME	International authority should not exploit resources directly or otherwise act as monopoly. It should grant licenses, provide security and protect freedom of scientific research.
STRAITS AND NAVIGATION	Territorial sea presently 3 miles must not exceed 12 miles. Unilateral approaches must be avoided.

FISHERIES

Fishing zones must be avoided. They do not resolve the need for maximum sustainable yield of world fish stocks. Preferential rights for coastal states according to regional or international conventions is preferred.

POLLUTION

SCIENTIFIC RESEARCH

OTHER

INTERMEDIATE ZONE	Coastal state jurisdiction over continental shelf resources to extend to 200 miles from baseline or to depth of 300 meters. Exclusive fishery jurisdiction to depth of 200 meters.
SEABED REGIME	International regime should apply to seabed and living resources but not to the waters. General Assembly the supreme authority, Council to execute. Benefit sharing according to need. Authority free to license, exploit directly, or enter joint ventures or service contracts.
STRAITS AND NAVIGATION	Territorial sea of 3 miles, but will move to 12. No interference with freedom of navigation in exclusive fishery zone or over continental shelf.

FISHERIES

Control and exploitation of anadromous species is responsibility of coastal state. Coastal fisheries to be controlled by the contiguous or opposite states fishing the stocks. Although allowing an international authority to determine allowable catch, coastal state capacity, and allocation of quotas to foreign fishing is attractive idea, it would be too difficult to implement. Opt instead for exclusive coastal state jurisdiction in fishery extending to 200 meter isobath.

POLLUTION

SCIENTIFIC RESEARCH

OTHER

INTERMEDIATE ZONE	Limit patrimonial sea to 100 miles from baseline. Separate waters from seabed and maintain traditional high seas freedoms.
SEABED REGIME	A/AC.138/SC.I/L.26. Licenses granted to states, either as sponsors or operators. Limits on total areas licensed by a State for exploration or exploitation. The State or operator receives a percentage of output computed according to (1) percentage to cover annual operating costs of deposit, (2) percentage of minerals extracted, sufficient to cover exploration costs and related interest charges, (3) compensation for mining risks. Remaining output goes to Authority which also receives payment for exploration and exploitation licenses. Where licenses are sought for same area, competitive bidding according to proposed work programs. Joint ventures possible with the Authority. A/AC.138/SC.I/L.24. Council of 36 members, 20 elected by Assembly, 16 designated - 8 highest GNP, one landlocked (surface area X population), one from each region (7 coastline X population).
STRAITS AND NAVIGATION	Freedom of navigation and overflight through straits that connect two parts of the high seas, are more than 6 miles wide, lie between coasts of different states, and are not near alternate routes. Coastal state may designate corridors. Territorial sea of 12 miles.

FISHERIES	International regional organizations to coordinate efforts beyond 12 mile territorial sea, to gather data, establish maximum permissable catch, allocate shares to coastal and traditional fishing states. Migratory species shares allocated according to state's fishing capacity in the area.
POLLUTION	
SCIENTIFIC RESEARCH	Coastal state must reply promptly to request to conduct research. Qualified right of coastal state to refuse consent. If no reply, consent may be assumed.
OTHER	

INTERMEDIATE ZONE	Coastal Seabed Area (A/AC.138/SC.II/L.56) Beyond the territorial sea a maximum distance of _____ miles. Equidistance principle between opposite or adjacent coasts. In its area, coastal state exercises sovereign rights for purpose of exploring and exploiting resources. They are not to include sedentary species.
SEABED REGIME	(A/AC.138/63). Machinery confined to supervisory and regulatory role. Authority to issue licenses to member state, who issues sub-licenses to entities within its jurisdiction. Supervision by international machinery and contracting parties. Licenses issued on first-come first-served basis or draw lots. Two year exploration license, 15 year exploitation license. Encourage scientific research and technical assistance. No interference with other uses. Council establishes rules re mineral exploitation (24) Assembly, Tribunal (3 arbiters) and Secretariat.
STRAITS AND NAVIGATION	Need to provide ships in international straits with limited but unambiguous right of transit. Measures to be applied by the coastal state should be based on generally recognized international standards re pollution and prevention of accidents. A special regime for archipelagos should not hamper international navigation.

FISHERIES	First or second largest fishing nation; opposed to 200 mile exclusive fishing zones. (A/AC.138/SC.II/L.12) Preferential rights to developing coastal state until it is able to harvest 50% of allowable catch. Developed coastal state may reserve portion of catch needed to maintain "locally conducted, small scale coastal fisheries." International or regional regulatory commissions to provide for highly migratory and anadromous species, not preferential rights.
POLLUTION	Coastal state enforcement of international standards against discharges or dumping in zone of unspecified breadth from shore. No undue interference with other maritime activities.
SCIENTIFIC RESEARCH	Scientific research with the intention of open publication and as a high seas freedom, should not be restricted by any future regime or mechanism. In areas of coastal state jurisdiction, information on research could be supplied in advance with participation in the research and access to the results.
OTHER	Oppose atmospheric nuclear tests of French in Pacific.

INTERMEDIATE ZONE	A/AC.138/36. Dual jurisdiction, national and international, yields international standards, tribunal, supervision, revenue sharing and coastal state power to prevent prejudicial activity, exploit resources, establish additional rules, enforce, license subject to international rules. Distance - minerals, 200 meters or 40 n. miles; fish unspecified. Advantaged state must share in its zone with disadvantaged. Formula - total land surface relation to its zone if it were round.
SEABED REGIME	A/AC.138/55. International Area begins 40 miles from shore or at least 200 meter isobath. In the area within, a coastal State priority zone 40 miles wide, the International Authority cannot exploit or license exploitation without coastal state consent. Assembly of all nations. Other organs, such as a Council, must have equal representation for primarily coastal and primarily non-coastal states.
STRAITS AND NAVIGATION	

FISHERIES	Distance of zone unspecified and to exclude highly migratory species. Sharing between advantaged and disadvantaged.
POLLUTION	International standards enforced by flag (administering) state, except if prosecutional priority goes to coastal state (i.e., violation within 100 miles or other specified distance.) Need to consider all sources of pollution. Experts affiliated with international organizations should elaborate preventive measures and an international organization should implement international conventions.
SCIENTIFIC RESEARCH	
OTHER	Compulsory settlement procedures should be provided for different types of disputes, i.e., for delimitation of areas or procedure combining negotiation, conciliation and arbitration. Role of the international judiciary organ should be confined to interpretation of legal rules.

INTERMEDIATE ZONE	Sovereign coastal state rights to all resources of economic zone to a maximum distance of 200 miles. Freedom of navigation and overflight. Rights to seabed resources may extend beyond 200 miles to edge of continental margin (600 meter isobath). Equidistance principle to apply between adjacent coasts and median line between opposite coasts.
SEABED REGIME	Establishment of precise rules should be left to the future international organization subject to certain treaty principles, ie., non-interference with other legitimate uses of the high seas, etc. The organization should have broad regulatory powers and be free to engage directly in exploitation if it wishes. Provisions governing licensing and distribution of the organization's income should be left to decision by the organization taken by its General Assembly on proposals by the executive organ, in which industrialized nations should have a major say.
STRAITS AND NAVIGATION	Straits used for international navigation should be defined as a separate question from that of territorial seas. The concept of innocent passage in the territorial sea should be defined as precisely as possible.

FISHERIES	Economic zone of 200 miles with sovereign coastal state rights. Views species approach as difficult to administer. Fifth largest fishing nation.
POLLUTION	Obligation of state to control, prevent, etc. pollution by vessels or activities under its jurisdiction. Flag state enforcement of existing international and regional regulations. State liability for compensation if pollution damage to area of another state. Regulations regarding ship operating procedures and construction standards should be decided at international level with coastal state right to inspect for compliance in its territorial sea. A/AC.138/SC.III/L.9, the Oslo Convention for the Prevention of Marine Pollution by Dumping From Ships and Aircraft, October 1971, a regional approach.
SCIENTIFIC RESEARCH	
OTHER	

INTERMEDIATE ZONE	Extensions of coastal state jurisdiction must be reconciled with common heritage.
SEABED REGIME	International authority to issue licenses to states to exploit seabed. Royalties from issuing licenses payable to the authority to be used as decided by all states. Revenues to developing and maritime states. States designate companies or organizations to exploit...to hasten development of seabed resources.
STRAITS AND NAVIGATION	Will accept 12 mile limit in new Convention "provided that there are provisions which ensure that there is no danger to existing rights of navigation and overflight by traditional routes, including straits."

FISHERIES	Coastal states should be enabled to increase their share of catch offshore and have certain advantages and preferences. But they must not unilaterally extend jurisdiction. Control over fisheries should be vested in regional organizations.
POLLUTION	Measures must be internationally agreed to avoid arbitrary regulations leading to a coastal state patchwork.
SCIENTIFIC RESEARCH	Accept coastal state conditions in the territorial sea and in accord with Continental Shelf Convention. Otherwise scientific research should remain free of restrictions--including non-regulation of Seabed Authority. Need for transfer of scientific and technologic skills to developing states.
OTHER	Archipelagic waters within straight base lines of up to 48 miles and if land-sea ratio is no less than 1 to 5. International straits to remain unaffected. Compulsory settlement of disputes.

INTERMEDIATE ZONE	A/AC.138/SC.II/L.35. Coastal state exclusive right to seabed resources in area, not fisheries. CSEA is area seaward of ____ and landward of ____. Coastal state exclusive right to authorize construction of fixed installations and drilling for any purposes. Coastal state ensures "no unjustifiable interference" with other activities in the marine environment and compliance with international pollution standards set by IMCO or the Authority. Cooperate with Authority in exercise of its inspection functions relating to offshore exploitation. Observe all contractual arrangements entered into with agencies, instrumentalities or persons of other states. If property taken for public purpose, just compensation must be paid. Revenues shared in respect of mineral exploitation. International standards to be promulgated by IMCO in consultation with the Authority regarding breadth of safety zones and navigation outside the safety zones. Rights of freedom of navigation and overflight and other activities unrelated to seabed resource exploration shall not be affected by this zone. Compulsory settlement of disputes.
SEABED REGIME	Trusteeship zone and international regime beyond 200 meter isobath to edge of margin. Strictly international authority beyond.
STRAITS AND NAVIGATION	A/AC.138/SC.II/L.4.Territorial sea (or an exclusive fishing zone) no more than 12 miles. Method of delimitation same as 1958 Convention. In straits used for international navigation all ships and aircraft enjoy freedom of navigation as on high seas. Coastal states may designate corridors suitable for transit, but must include those customarily employed.

FISHERIES	A/AC.138/SC.II/L.9. Authority to regulate determined by biological characteristics to assure conservation, maximum utilization and equitable allocation. Coastal state regulates and has preferential rights to coastal and anadromous species, international organizations to regulate migratory species. Coastal state must provide access for resources it cannot harvest with priority to (1) historic fishing rights (2) then other states in the region, (3) then all other states. Coastal state may reduce allocations as capability increases. Maintenance of maximum sustainable yield based on scientific information and catch and effort statistics. Provisions for technical assistance, coastal state and flag state enforcement, dispute settlement by five member commission, and reasonable regard for other uses.
POLLUTION	A/AC.138/SC.III/L.40. Competence to establish standards vested in Seabed Authority for seabeds and IMCO for vessel pollution. States will enforce international standards in respect to exploitation in coastal seabed economic area, over vessels entering their ports and offshore facilities, over flag vessels, and vessels in territorial sea. States may adopt higher standards for exploitation in coastal seabed economic area. Port state enforcement proceedings must commence within 3 years of violation. Cooperative enforcement: port entry may be denied to vessel suspected of violation. Flag state and a port state must receive evidence from notifying state, IMCO participation on request. Emergency coastal state measures beyond territorial sea to prevent immanent harmful damage. Compulsory settlement of disputes.
SCIENTIFIC RESEARCH	A/AC.138/SC.II/L.44. Promote and facilitate, with strict safeguards for protection of environment. Promote international scientific cooperation, publication of results, technical assistance in assessing findings, participation of nationals. Coastal states facilitate research in territorial sea and access to ports by research vessels. Notification, certification, opportunity for coastal state participation, sharing of data and samples. Compulsory settlement of disputes.
OTHER	A/AC.138/97. Compulsory settlement of disputes. In disputes between contracting parties relating to interpretation and application of the Convention, any party may invite another to settle by direct negotiation, good offices, mediation, conciliation, arbitration or through international or regional organization. Disputes subject to compulsory settlement may be referred to Law of the Sea Tribunal at any time. Tribunal to have members elected in accordance with procedure provided for in ICJ. Four technical assessors to sit with Tribunal if dispute involves technical question such as safety of navigation, ship construction, pollution, scientific research, fishing, or seabed exploration or exploitation.

"E"

#6

April 1973

CONSTITUTION

OF

THE TRILATERAL COMMISSION

I.

NAME, NATURE, PURPOSES AND STRUCTURE

1.01. The name of the organization is "The Trilateral Commission."

1.02. The Commission is an unincorporated group of private citizens of Japan, North America (Canada and the United States), and Western Europe (hereinafter called "the Regions") sharing common concerns about the future of the Regions and the world.

1.03. The purposes of the Commission are

(a) to involve leaders in the private sectors of each Region in cooperative study of important issues affecting the Regions;

(b) to formulate and propose policies which the Regions and nations within the Regions could follow in their relations with one another, in their foreign relations in general, and in the solution of common domestic problems, including particularly relations and problems

involving (1) economic matters, (2) political and defense matters, (3) developing countries and (4) Communist countries;

(c) to bring the results of its research efforts and its proposed policies to the attention of concerned officials in government as well as the private sectors in the Regions.

1.04. The Commission will have the following structure and elements:

-- a membership of approximately 180 eminent private citizens ("Commissioners"), with members in approximately equal number from each of the three Regions
-- a 34-member Executive Committee, with members from each of the three Regions
-- three Chairmen, one from each Region ("Regional Chairmen")
-- a Director
-- Task Forces with representation from each Region

II.

THE COMMISSIONERS

2.01. There will be approximately 180 Commissioners, representing the Regions in approximately equal numbers.

2.02. The initial Commissioners from each Region will be chosen by the respective Regional Chairman. Vacancies will be filled by the members of the Executive Committee from the Region in which the vacancy has occurred upon nomination by the respective Regional Chairman.

2.03. Commissioners from each Region will meet upon call of the Chairman of the Region. Commissioners will from time to time be invited to attend meetings of the members of the Executive Committee from their Region.

2.04. Commissioners will review Task Force recommendations and consult from time to time with the Chairman of their Region, the Director, and members of Task Forces.

2.05. Meetings of the Commissioners from the three Regions may be called by the Executive Committee.

III.

THE EXECUTIVE COMMITTEE

3.01. There will be an Executive Committee consisting of nine Commissioners from Japan, eleven Commissioners from North America (of whom two will be from Canada and nine from the United States), and fourteen from Western Europe.

3.02. The initial members of the Executive Committee from each Region will be chosen by the respective Regional Chairman. Upon expiration of the term, or upon the death, resignation, or disability, of a member of the Executive Committee, his replacement will be elected by the remaining members of the Executive Committee from his Region upon nomination by the Regional Chairman.

3.03. Members of the Executive Committee from a Region will meet from time to time upon call of the Regional Chairman. Members of the Executive Committee will consult with Commissioners from their Region before each meeting of the full Executive Committee.

3.04. The Executive Committee will be the principal policy organ of the Commission. After consultation with the Chairmen and the Director, it will choose subjects for study by Task Forces. The Executive Committee will review and take action upon the recommendations of Task Forces.

3.05. The Executive Committee will meet at least once a year upon call of any two of the three Chairmen.

IV.

THE CHAIRMEN

4.01. There will be one Chairman from each Region.

4.02. The initial Regional Chairmen will be -

for Japan - Takeshi Watenabe, recently President of the Asian Development Bank,

for North America - Gerard C. Smith, recently Director, Arms Control and Disarmament Agency, United States Government and Chairman of the U.S. SALT Delegation,

for Western Europe - [To be designated].

In the event of death, disability, or resignation of a Chairman, his successor will be appointed by the members of the Executive Committee from his Region.

4.03. The Chairmen will meet from time to time as they may find it necessary for the performance of their functions.

4.04. The Chairmen will be the chief executive officers in charge of the Commission's activities. Each of them will devote a significant part of his time to the affairs of the Commission.

V.

THE DIRECTOR

5.01. The Director will be the chief operating officer of the Commission, responsible to the three Chairmen. He will devote substantially 100% of his time to the affairs of the Commission.

5.02. The initial Director will be Dr. Zbigniew Brzezinski, Director of the Research Institute of Communist Affairs, Columbia University.

5.03. The Director will serve at the pleasure of the Executive Committee. His successor will be elected by the Executive Committee. It is contemplated that the Directorship will be rotated among the three Regions.

VI.

TASK FORCES

6.01. After consultation with the Chairmen and the Director, the Executive Committee will choose subjects for study and the formulation of policy recommendations by Task Forces. After a subject is thus chosen, a Task Force will be selected by the Director, after consulting with the Chairmen, to conduct such study and formulate such recommendations.

6.02. Each Task Force will consist of representatives from each Region, if possible including Commissioners from each Region, and preferably, including a member of the Executive Committee from each Region. The members will include leading experts in the subject chosen for study and will be drawn from a variety of fields including business, communications media, education, and persons with experience in public service.

6.03. Each Task Force will have a principal rapporteur with primary responsibility for drafting the Task Force report and associate rapporteurs from each Region other than that of the rapporteur.

6.04. Drafts of reports of Task Forces will, if possible, be reviewed at meetings of Commissioners in each Region. Final reports of Task Forces will be delivered to the Chairmen for submission to the Executive Committee.

6.05. Staff assistance to Task Forces will be provided by the Director.

VII.

MISCELLANEOUS PROCEDURES

7.01. Any action required or permitted to be taken or authorized at a meeting by the Commissioners, the Executive Committee, the members of the Executive Committee from a Region, or the Chairmen (hereinafter called "bodies of the Commission") may be taken or authorized without holding a meeting if the proposed action has been submitted in writing to the respective body and a majority of its members signify their approval thereof in writing filed with the Director.

7.02. Any action permitted to be taken or authorized without a meeting by any body of the Commission may be taken without any writing if a majority of the members of the body orally signify their approval thereof to a Chairman or the Director.

7.03. The Commission will publish an annual report on the state of relations among the nations of the three Regions and the results of activities of Task Forces and other bodies of the Commission.

7.04. The Executive Committee may amend this Constitution and may promulgate rules to implement or interpret any of its provisions.

THE TRILATERAL COMMISSION

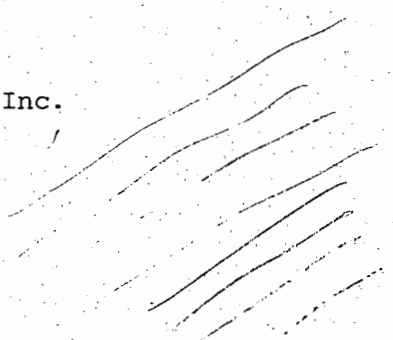
Attendance At North American Commission Meetings

May 29-30, 1974

Members and Staff of the Trilateral Commission

Graham Allison, Professor of Politics, Harvard University
Doris Anderson, Editor, Chatelaine Magazine
John B. Anderson, House of Representatives
Lucy Wilson Benson, President, League of Women Voters of the United States
Robert W. Bonner, Q.C., Chairman, MacMillan Bloedel, Ltd.
Robert R. Bowie, Clarence Dillon Professor of International Affairs, Harvard University
Harold Brown, President, California Institute of Technology
*Zbigniew Brzezinski, Director, The Trilateral Commission
James E. Carter, Jr., Governor of Georgia
William T. Coleman, Jr., Senior Partner, Dilworth, Paxson, Kalish, Levy & Coleman
Richard N. Cooper, Provost and Frank Altschul Professor of International Economics, Yale University
Archibald K. Davis, Chairman, Wachovia Bank & Trust Company
Peter C. Dobell, Director, Parliamentary Center for Foreign Affairs and Foreign Trade, Ottawa
Hedley Donovan, Editor-in-Chief, Time, Inc.
*George S. Franklin, North American Secretary, The Trilateral Commission
Patrick E. Haggerty, Chairman, Texas Instruments
*Charles Heck, Assistant to the Director (as of July 1974)
Alan Hockin, Executive Director, Toronto-Dominion Bank
Thomas L. Hughes, President, Carnegie Endowment for International Peace
J. K. Jamieson, Chairman, Exxon Corporation
Bruce K. MacLaury, President, Federal Reserve Bank of Minneapolis
Walter F. Mondale, United States Senate
Lee L. Morgan, President, Caterpillar Tractor Company
Henry D. Owen, Director, Foreign Policy Studies Program, The Brookings Institution
David Packard, Chairman, Hewlett-Packard Company
Edwin O. Reischauer, University Professor, Harvard University; former U.S. Ambassador to Japan
David Rockefeller, Chairman, Chase Manhatten Bank
Robert V. Roosa, Partner, Brown Brothers, Harriman & Company
William V. Roth, Jr., United States Senate
William W. Scranton, Former Governor of Pennsylvania
Gerard C. Smith, Counsel, Wilmer, Cutler & Pickering
*Michael J. Sodaro, Assistant to the Director
Anthony Solomon, Consultant
Robert Taft, Jr., United States Senate
Arthur R. Taylor, President, Columbia Broadcasting System, Inc.

*Staff



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Cyrus R. Vance, Partner, Simpson, Thacher & Bartlett
Marina von N. Whitman, Distinguished Public Service Professor of Economics, University of Pittsburgh
Carroll L. Wilson, Professor of Management, Alfred P. Sloan School of Management, Massachusetts Institute of Technology
*Bernard Wood, Executive Secretary, Canadian Group, The Trilateral Commission

*Staff

Trilateral Task Force Rapporteurs

John C. Campbell, North American Rapporteur of the Trilateral Task Force on the Political and International Implications of the Energy Crisis
Richard N. Gardner, North American Rapporteur of the Trilateral Task Force on Relations With Developing Countries
Ann Hollick, Trilateral Commission Consultant on the Feasibility of an Ocean Study
Samuel P. Huntington, North American Rapporteur of the Trilateral Task Force on Values

Guests

Landrum R. Bolling, Executive Vice President, The Lilly Endowment, Inc.
Clifton B. Forster, Deputy Assistant Director, East Asia and the Pacific, United States Information Agency
Henry A. Grunwald, Managing Editor, Time Magazine
Joseph C. Harsch, Chief Editorial Writer, The Christian Science Monitor
Marshall Hornblower, Partner, Wilmer, Cutler & Pickering
James Hyde, Rockefeller Brothers Fund
Walter J. Levy, President, W.J. Levy Consultants Corporation, Inc.
John B. Oakes, Editor of the Editorial Page, The New York Times
George R. Packard, Executive Editor, Philadelphia Evening and Sunday Bulletin
Phillips Ruopp, Director, International Affairs, Charles F. Kettering Foundation
Eileen Shields, Time Magazine
Paul Volcker, Under Secretary of the Treasury for Monetary Affairs

LDC's #2a.

LDC Priorities Task Force

1. Discussion of the present energy crisis as it relates to the LDC's;

2. Brief response to the general question, why aid?

3. Discussion of the proper methods of channeling aid, together with a consideration of the distribution of income within LDC's;

4. Discussion of the notion of 'spheres of influence' and the question of multilateral aid programs;

5. Examination of the need for structural changes in the ADC's to accommodate the special requirements of the LDC's;

6. Consideration of the question of new sources of funds to aid the LDC's.

Relations - Less Devel. Countries - #2 a.

Brief comment

I

Sent 5-8-74

THE TRILATERAL COMMISSION
345 EAST 46TH STREET
NEW YORK, N. Y. 10017
212 661-1180 CABLE: TRILACOM NEWYORK

April 29, 1974

MEMORANDUM

TO: North American Commissioners

FROM: Zbigniew Brzezinski ZB

The Executive Committee of the Trilateral Commission, at its June 23-25 meeting in Brussels, will consider as one of the items on its agenda a report pertaining to the LDC's. Our three rapporteurs - Dr. Richard Gardner [Professor of Law, Columbia University, and former Deputy Assistant Secretary of State for International Organizations], Mr. B. J. Udink [former Dutch Minister Without Portfolio Responsible for Aid to the Developing Countries], and Dr. Akira Onishi [Project Director of the International Development Center of Japan] - were charged with the task of defining for the Trilateral Commission some longer range priorities concerning the LDC's as well as with the task for developing some interim recommendations concerning the more immediate crisis confronting the LDC's.

The enclosed preliminary draft is the product of close consultations among the rapporteurs and between the rapporteurs and experts and spokesmen from the LDC's, with Dr. Gardner being responsible for the actual drafting. The final version will be prepared during the month of May, and we would naturally welcome any reactions or suggestions that you may have. To be able to take your comments into account, given our tight deadlines, we will need your response by May 17.

JAPANESE OFFICE
JAPAN CENTER FOR INTERNATIONAL EXCHANGE
7A HERMANOS AKASAKA BUILDING 8-4-3, AKASAKA
MINATO-KU, TOKYO

EUROPEAN OFFICE
EUROPEAN COMMUNITY INSTITUTE FOR UNIVERSITY STUDIES
RUE DE TREVES 47
1040 BRUSSELS, BELGIUM

(First Draft, April 24, 1974)

A TURNING POINT IN NORTH-SOUTH ECONOMIC RELATIONS

First Report of the Trilateral Commission Task Force on Relations with Developing Countries

There are critical turning points in history when the lives and fortunes of large numbers of human beings hang upon the outcome of decisions taken by a small handful of national leaders. We have reached such a turning point in relations between the advanced industrialized areas of Europe, North America and Japan, on the one hand, and the developing countries of the Middle East, Africa, Asia and Latin America on the other.

The oil embargo -- the fourfold increase in oil prices -- the higher costs and severe shortages of food and fertilizer -- the unprecedented concurrence of acute inflation and serious recession throughout the industrialized world -- these events have gravely strained the tenuous fabric of international economic relations. In particular, they have detonated an explosion in North-South economic relations that was building up for years. While demonstrating more clearly than ever before the interdependence of developed and developing nations, they have also provided a new stimulus to the advocates of economic nationalism and of confrontation by economic blocs. In short, they have raised the most troubling questions about the world's ability to manage its interdependence through peaceful cooperation in accordance with the basic demands of all for welfare and justice.

We believe the time has come for new policies and new actions by the governments of the Trilateral region in their relations with developing countries. In our approach to this subject we reject any idea of a "rich man's club" forming defensive alliances against the poor. On the contrary, we seek to make the policies of our governments more responsive to the needs of the developing countries in the hope that the interests of all will be promoted.

The crisis in North-South relations has two vital aspects that require immediate responses from governments of the Trilateral region:

The first aspect is the desperate plight of nearly one billion people in some thirty resource-poor developing countries whose governments cannot pay the increased bills for oil, food, fertilizer, and other products. According to the World Bank, at least $3 billion in extra concessional aid must be found for these countries in 1974-75 to avoid economic disaster. This first report of the Trilateral Commission Task Force on Relations with Developing Countries offers a plan to make this sum available through an extraordinary act of cooperation between the countries of the Trilateral region and the oil-producing countries.

The second aspect is the urgent necessity of a general restructuring of North-South economic relations for the purpose of creating a more just and workable world economic order. We propose to deal with the extremely broad and complex questions involved in this restructuring in a later report to be issued early in 1975. But we take the occasion of this first report to offer some general conclusions about economic

relations between North and South so that our proposals for emergency action may be looked at in an overall conceptual framework.

I

Our work thus far, aided by consultations with experts from both developed and developing countries, has led us to eight broad conclusions about the new approaches that need to be developed for North-South economic relations:

1. Both developed and developing countries need to give greater weight in policy-making to their growing interdependence. For the Trilateral region, this means that liberal aid and trade measures on behalf of developing countries should be undertaken not only because "it is right" but because the Trilateral world increasingly needs the developing countries as sources of raw materials, as export markets, and most important of all, as constructive partners in the operation of a workable world political and economic order. In the months and years ahead, the Trilateral countries will be engaged in negotiations with developing countries on a broad range of issues including finance and trade, energy and resources, and the law of the sea. Slowly but surely, a new system of relationships is being negotiated in place of the old one that emerged from the postwar era. This new system will not emerge unless it adequately reflects the views and interests of the developing countries; it will not survive unless these countries feel they have a stake in it.

Agreements should be of mutual benefit - i.e. \$ for raw material to be delivered now in future - benefits need not be equal

2. The new system of relationships must respect the right to independence and equality under international law of all members of the world community, rich and poor, large and small. We categorically reject not only old-fashioned colonialism but also latter-day concepts of neo-colonialism, paternalism and tutelage. Developing countries should be free to determine their own political, economic and social systems, free of external pressure. In particular, they should be free to determine whether and under what conditions they wish to accept foreign investment. At the same time, any system of full equality must acknowledge that every member of the community has obligations as well as rights. Among these is the obligation of fair treatment for foreigners and their property -- a concept that applies both to developing countries' citizens and investments in developed countries and vice-versa.

3. There is no room in such a new system of relationships for the concept of "spheres of influence" or even "spheres of responsibility." We reject the idea that special aid and trade policies should be developed tying Africa to Europe, Latin America to the United States or Southeast Asia to Japan. This does not exclude the free collaboration between developed and developing countries of the same region on projects based on mutual economic interest. What it does rule out are the exchange of tariff preferences between limited groups of developed and developing countries or the granting of military and economic aid in return for preferred access to raw materials. We must avoid the temptation that faces the Trilateral countries in a period of resource scarcity to concen-

trate their aid and trade favors on a relatively few resource-rich developing countries while ignoring the needs of the rest. A system that emphasizes multilateral aid flows and multilateral trade concessions is most likely to prevent this development and serve the long-term interests of all.

4. The policies of both governments and international organizations should reflect greater recognition of the differing needs and capabilities of different developing countries. From an economic point of view, the so-called "Third World" has become at least three worlds -- the oil producing countries earning huge amounts of foreign exchange, the relatively well-off developing countries with other valuable resources or a growing industrial base, and the "have-not" developing countries such as those in the Indian subcontinent and the Sahelian zone of Africa. Emphasis on these differences is not motivated by a desire to break up the unity of the developing world -- the developing countries will continue to unite when they have common interests -- it is motivated rather by a desire to adapt policies to new realities so that the legitimate interests of all will be served. For example, concessional aid should henceforth be concentrated on the have-not developing countries that need it most, with other developing countries making contributions of capital and technical assistance in accordance with their emerging capabilities.

5. The interests of both developed and developing countries will be better served in this historical period by cooperation than by confrontation. We recognize that this statement has a hollow ring in the

light of the failure of developed countries to live up to the aid and trade targets of the two U.N. Development Decades. It is true that confrontation sometimes brings short-term benefits. But in the longer run -- particularly in the difficult economic and political conditions of the mid-1970s -- it is bound to stimulate defensive and harmful responses from the governments and peoples of the developed world. The developed countries who have the military, political and economic power can only be persuaded by appeals to mutual interest; emphasis on adversary interests and the abuse of automatic majorities in international agencies is likely to delay the desired adjustments. At the same time, the developed countries should realize that confrontation has resulted from past failures of cooperation for which they bear a heavy responsibility and that they must nourish cooperation in the future by more responsive policies.

6. Much more must be done to assure that development efforts help the bottom half of the populations in the developing countries. Donor and recipient countries, working together in their mutual interest, should promote development programs that stress not only increases in GNP but also eradication of extreme poverty, a better distribution of wealth, the improvement of rural welfare, the reduction of unemployment, and broad access to education, health and social services. Two key elements in such a "people-oriented" development strategy, in our judgment, should be measures to increase food production and to reduce excessive population growth by giving every couple access to the best available information and means of family planning.

Analysis of availability and material exchanges & optimum exchanges among nations ?

7. New rules and arrangements governing access to supplies should be part of a new system of relations between developed and developing countries. Such new rules and arrangements would be in the general interest, for at least four reasons: First, developing countries as a group are as dependent on developed countries for supplies of food and manufactured goods as developed countries are dependent on them for supplies of energy and raw materials. The logic of interdependence suggests the need for some agreed limits on the ability of producers to cut off the essential supplies of others for political or economic reasons. Second, countries faced with the prospect of supply cut-offs are likely to seek more secure alternatives through policies of national or regional self-sufficiency -- thus export controls breed import controls. Third, the availability of substitutes and synthetics sets serious limits on the practicability of producer cartels for commodities other than oil; even in the case of petroleum, present prices are likely to reduce the revenues of the oil producers over the long-term by accelerating the shift to alternative sources of energy. Fourth, the "have-not" developing countries have the greatest stake in reasonable access to food, energy and other supplies. Any international system that leaves them at the mercy of supplying countries fails to meet minimum requirements of economic justice. Having said all this, we recognize that access to supplies is not likely to be negotiated except in the context of a more satisfactory international system. The challenge to developed and developing countries is to fashion a "world order bargain" in which access to supplies is traded for other kinds of

access -- access to markets at stable and remunerative prices, access to technology and capital, and access to a reasonable share of decision-making in international economic forums.

8. Last but not least, a new system of North-South relations should include a restructuring of international economic institutions to reflect new political and economic realities as well as the need to command the confidence of both developed and developing countries. The developing countries, and particularly the oil producing countries, should have more voting rights and a greater role in the management of the International Monetary Fund and World Bank group. At the same time, some procedural reforms are needed in those forums such as the General Assembly, UNCTAD and GATT where the one-nation one-vote principle fails to reflect fairly the balance of economic interest and power. Differential voting rights may be difficult to negotiate, but resort can also be had to special majority requirements, committees with selective representation, and conciliation procedures using impartial and expert third parties. Obviously institutional changes cannot be a substitute for political will, but such reforms could help promote a sense of confidence in the objectivity and effectiveness of international institutions that is presently lacking.

We realize only too well that the broad concepts outlined above leave many hard questions unanswered. These hard questions -- or at least some of them -- will be examined in our second report. Among them are the following:

-- How can we build political support in the Trilateral countries for liberal aid and trade policies at a time of acute inflation, stagnant growth, rising unemployment and political instability?

-- What specific changes in the policies of governments and international agencies would be necessary to implement a "people-oriented" aid strategy?

-- Should the Trilateral countries support the establishment of new sources of development assistance independent of annual government decision-making such as the "link" with SDR creation or revenues from seabed exploitation?

-- How can the Trilateral countries open their markets to the agricultural and manufactured exports of the developing countries while assuring orderly internal adjustment?

-- How can the potential of foreign investment in general and the multinational corporation in particular be utilized consistently with the needs and aspirations of developing countries?

-- What specific rules on supply access would be desirable and feasible as part of the "world order bargain"?

-- What kind of commodity agreements -- and on what specific commodities -- would serve the general interest?

-- In particular, what kind of cooperative arrangements and joint ventures would harmonize the oil producing countries' interests in industrialization and diversification with the oil consuming countries' needs for secure and reasonably priced energy supplies?

II

We return now to the first aspect of the problem that was mentioned at the outset -- the urgent need to find some $3 billion in extra concessional aid for the poorest developing countries of the "Fourth World" in 1974-75. This problem cannot wait until the world finds negotiated solutions to all the unresolved questions of North-South economic relations mentioned above. As Robert S. McNamara, President of the World Bank, put it recently in his report to the Bank's Executive Board: "Unless substantial additional resources for both long-term investments and immediate balance of payments needs are provided quickly, the hopes of hundreds of millions of people for even modest advances in their economic well-being during the remainder of this decade will be shattered."

Only last year, the World Bank estimated that the developing world as a whole would be able to sustain the 6% rate of growth which was the minimum objective of the Second United Nations Development Decade. This relatively hopeful prospect has been shattered by the following main developments:

-- the quadrupling of oil prices has added about $10 billion a year to the import bills of the non-oil producing developing countries;

-- the tripling of food and fertilizer costs has added another $5 billion a year to the import bills of these countries;

-- there has been a drastic increase in the prices of other raw materials and manufactured goods imported by developing countries;

-- the general economic slowdown in the industrialized world is reducing the foreign exchange earnings flowing to developing countries from merchandise exports, tourism and workers' remittances.

The full meaning of these events for the developing countries may be understood when it is realized that the extra $15 billion that these countries must now pay for oil, food and fertilizer is almost double the $8 billion in total development assistance coming to them each year from all the industrialized countries of the Trilateral region.

In terms of their capacity to absorb these drastic economic blows, the non-oil producing developing countries can be divided into two categories:

First, there are countries like Mexico, Brazil, Turkey, and Malaysia, which enjoy substantial foreign exchange reserves, high prices for their exports or ready access to capital markets. However, even some of these countries will require additional short or medium-term borrowing facilities from international institutions to enable them to maintain their development programs during the 1974-75 period.

Second, there are the low and middle-income developing countries that lack large foreign exchange reserves, buoyant export prospects, or the ability to service credit on commercial or near-commercial terms. This group includes some 30 countries with nearly 1 billion people, among them India, Pakistan, Bangladesh, the Philippines, some tropical African countries, and a few countries in Latin America. The World Bank estimates the needs of these countries for additional concessional aid at $0.8 billion in 1974 and $2.1 billion in 1975 -- a total of about $3 billion.

There are two main sources of potential aid for these two categories of developing countries -- the oil producers and the

Trilateral world. The oil revenues of the members of the Organization of Petroleum Exporting Countries (OPEC) are expected to increase from about $15 billion in 1972 to about $85 billion in 1974. Those OPEC members with large populations and large development needs (Iran, Algeria, Nigeria, Venezuela, and Indonesia) will be able to spend all or most of their additional oil revenues on imports. Other OPEC members with relatively sparse populations (Saudi Arabia, Kuwait, Iraq, Libya, Abu Dhabi and Qatar) will have vast sums available for investment overseas.

The countries of the Trilateral region represent the other possible source of help. As a group, they will be paying about $60 billion more for their oil imports in 1974 over 1973. This will both accelerate their rates of inflation -- already well into double figures -- and aggravate the slowdown in their economies. For many of the Trilateral countries, 1974 will be a year of zero or minus growth in real terms -- living standards will probably be lower for the majority of the citizens of these countries by the end of 1974 than they were at the beginning. Moreover, almost all of the Trilateral countries will suffer large trade deficits as a result of increased oil costs. However, it should be recalled that the Trilateral countries already stand on a plateau of unprecedented affluence -- ranging from an income per capita of over $2,500 in Japan and Europe to over $5,000 in the United States, and that real incomes are expected to rise once again in 1975 and subsequent years after the "oil shock" has been digested and the recession has run its course.

Thus the capabilities for a rescue operation on behalf of the developing countries are there -- the question is the political

will to use them. On the one side, the Trilateral countries see their economic prospects diminished, in substantial part because of an oil price increase imposed by the OPEC countries. Some people in the Trilateral countries are saying that the OPEC countries who have profited from the increased oil prices should take the responsibility for helping the developing countries meet the resulting burdens. The OPEC countries, in their turn, point out that the Trilateral countries have reaped gains of their own from price increases of food and fertilizer and industrial goods and reject any suggestion that their oil earnings should be treated differently from earnings on other commodities. They consider the oil price increase as a belated correction for years of unduly cheap oil which benefited the developed countries; and they point out that the combined GNP of the Trilateral world comes to about two trillion dollars, while the combined GNP of the OPEC countries is about $200 billion -- one-tenth of the Trilateral total.

We must not allow the plight of the non-oil producing developing countries to worsen while the Trilateral world and the OPEC countries argue about who is to blame for the present crisis. Nor will anything be gained by controversies about what is a "fair" price for oil. In our opinion, the market price for oil during 1950-70 did not adequately reflect its exhaustibility, the need to develop new energy sources, and the general interest in curtailing wasteful comsumption. While we also feel that the interests of the oil producing countries as well as of the oil consuming countries would have been better served by a more gradual and somewhat smaller

price increase, we believe oil prices are likely to come down in relative terms over the next few years through changes in energy demand and supply patterns that are now underway. In any event, we feel strongly that a desire to secure a price rollback must not get in the way of urgent measures to help developing countries avoid economic disaster. The financial solutions that will shortly be suggested will have no appreciable effect on the price question. Moreover, it is morally unacceptable to seek an oil price rollback by putting in jeopardy the lives of millions of innocent people.

We believe the proper approach to burden-sharing between the Trilateral World and the OPEC countries is to recognize that the former bear a special responsibility because they have a vastly greater total national income and that the latter also bear a special responsibility because of the dramatic increase in their export earnings and therefore in their capacity to invest sums abroad. This suggests that a new initiative between the Trilateral and OPEC countries should be undertaken along the following lines:

1. The two groups of countries should cooperate in making a success of the new "oil facility" proposed by Johannes Witteveen, the Managing Director of the International Monetary Fund. Under this facility, both developed and developing countries facing balance of payments difficulties from increased oil costs will be allowed access to their quotas free from the usual conditions that govern drawings beyond the "gold tranche." The Trilateral countries who already have substantial amounts of their currencies in the Fund would allow them to be drawn on for this purpose. The OPEC countries with surplus resources would contribute a portion of these on commercial terms to support the oil facility.

2. To assure the continued flow of development capital to those developing countries which are able to service commercial loans, the Trilateral countries would continue to permit sales of World Bank bonds in their capital markets, while OPEC countries would agree to invest a substantial portion of their reserves in these securities.

3. Most importantly, the Trilateral countries and the OPEC countries would establish an emergency concessional aid package of $3 billion for 1974-75 to help the countries of the "Fourth World." We believe it would be reasonable to share the burden equally between the two groups of countries -- The Trilateral world underwriting $1.5 billion, and the OPEC countries underwriting the other $1.5 billion.

The distribution of the burden within the two groups of countries would be a matter for negotiation within each group:

We believe the Trilateral countries should share in the $1.5 billion in the same proportion as they are sharing in the $1.5 billion per year for three years called for in the fourth replenishment of the International Development Association. What this would mean in additional commitments by each Trilateral member is indicated in Table 1. The Trilateral countries would be free to discharge these additional commitments by contributions of multilateral or bilateral financial aid, by additional food aid on concessional terms, or by the write-off or postponement (by a minimum of ten years) of debt repayments due from "Fourth world" countries. The Trilateral countries would also agree to maintain their existing aid flows and make available the sums called for in the agreement on the fourth IDA replenishment. In this connection favorable action by the U.S. Congress on the pending IDA legislation is needed without further delay.

No already agreed guidelines exist for the apportionment of the other $1.5 billion among the OPEC countries. We note, however, that this sum represents about 2 percent of the $70 billion increase in their oil revenues that took place between 1972 and 1974. Table 2 shows one possible apportionment based on OPEC members' shares in the $70 billion increase. These figures could perhaps be adjusted to reduce the share of OPEC members with very low per capita incomes, such as Algieria, Nigeria and Indonesia. OPEC countries would be free to make their contribution in the form of sales of oil on concessional terms equivalent to U.S. concessional food sales (40 year credits at 3 per cent interest) or by increasing bilateral or multilateral financial aid.

For both political and economic reasons, we believe that the $3 billion aid package should be made available through multilateral channels so far as possible. Food aid should be made available under arrangements to be worked out at the World Food Conference in November. Debt forgiveness and postponement should be negotiated under the auspices of the IMF and World Bank. Financial aid should be administered by existing multilateral institutions which possess the requisite technical and management skills to assure its effective use. This means such existing institutions as the International Bank/International Development Association, the Inter-American Development Bank, the African Development Bank and the Asian Development Bank. Special emphasis should be given to projects to increase domestic food and energy supplies in the recipient countries.

We believe there are a number of options open to the OPEC and Trilateral countries that could make use of these existing institutions while assuring the donors of a satisfactory measure of control over the use of their funds:

-- direct contributions to the concessional funds of these institutions, with appropriate renegotiation in voting rights and decision-making arrangements;

-- creation of a "special fund" in the IBRD/IDA with special voting and decision-making arrangements governing use of that fund;

-- case-by-case participation by Trilateral or OPEC countries in loans of the multilateral institutions (as in the recent IBRD loan to Syria, half of which was subscribed by the Kuwait fund);

-- use of the multilateral institutions as executing agencies for bilateral or regional aid programs approved by the OPEC countries.

All in all, we believe the general interest of OPEC countries, Trilateral countries, and aid-receiving developing countries would best be served by the first three of these four alternatives. But the precise means to be adopted are less important than the end to be achieved, which is the immediate provision of the $3 billion in additional aid.

We also believe the Soviet Union should be invited to participate in the $3 billion concessional aid package, in the light of its considerable economic capabilities and the fact that it has benefited on the whole from the increase in raw material prices. The spirit of detente and of global solidarity would be importantly strengthened by Soviet cooperation in this initiative to help the "Fourth world." To the extent that the Soviet Union can be persuaded to make a contribution, the amount required from the Trilateral and OPEC countries would be proportionately reduced.

In our opinion, time is now of the essence. The full impact of the plight of the developing countries has not registered so far because financial settlements for oil are made quarterly and bills for oil shipped at the new high prices are only just coming due. The "crunch" will come

this summer when accounts for the second quarter of the year have to be settled.

It is imperative, therefore, that the $3 billion aid package be worked out during the next three months for final approval at the annual Fund and Bank meetings during the last week of September. A high-level group to negotiate this package should be assembled as soon as possible under the joint auspices of the Secretary-General of the United Nations and the President of the World Bank, with the participation of both OECD and OPEC countries and, if possible, of the Soviet Union.

We conclude with our opening observation: the world has reached a crucial turning point. We call on the Trilateral countries, in their enlightened self-interest, to assume shared responsibility with the members of OPEC in a new venture of cooperation to cope with the present emergency and spare millions from disaster before it is too late.

TABLE 1

COMPARATIVE INDICATORS FOR IDA CONTRIBUTING COUNTRIES

Donor Nations	Fourth Replenishment Contribution		Third Replenishment Contribution		% of combined GNP of contributing countries	Official Development Assistance as % GNP in 1972	Population (Millions)
	Millions U.S. dollars equivalent and Percentage of Total						
Part I Countries							
Australia	$ 90.0	2.0 %	$ 48.0	2.0 %	1.72 %	.61 %	12.3
Austria	30.6	0.7	16.3	0.7	.77	.09	7.4
Belgium	76.5	1.7	40.8	1.7	1.34	.55	9.6
Canada	274.5	6.1	150.0	6.1	3.93	.47	21.1
Denmark	54.0	1.2	26.4	1.1	.78	.45	4.9
Finland	25.2	0.5	12.2	0.5	.49	/a	4.7
France	253.5	5.6	150.0	6.1	7.51	.67	50.3
Germany	514.5	11.4	234.0	9.6	9.77	.31	60.8
Iceland	1.3	0.03	--	--	.03	/a	/b
Ireland	7.5	0.2	3.9	0.2	.20	/a	2.7
Italy	181.3	4.0	96.7	4.0	4.37	.09	53.2
Japan	495.0	11.0	144.0	5.9	11.27	.21	102.3
Kuwait	27.0	0.6	10.8	0.4	.13	/a	0.6
Luxembourg	2.2	.05	1.2	.05	.05	/a	0.3
Netherlands	132.7	2.9	67.5	2.8	1.71	.67	12.9
New Zealand	11.7	0.26	3.3	0.25/c	.31	/a	2.8
Norway	49.5	1.1	24.0	1.0	.58	.41	3.9
South Africa	9.0	0.2	3.0	0.1	.72	/a	20.2
Sweden	180.0	4.0	102.0	4.2	1.52	.48	8.0
United Kingdom	499.5	11.1	311.0	12.7	5.75	.40	55.5
United States	1,500.0	33.3	960.0	40.0	43.36 —	.29 —	203.2
Part II Countries							
Israel	1.0	.02	--	--	.26	/a	2.9
Spain	13.3	.30	2.5	0.1	1.73	/a	22.5
Yugoslavia	5.0	.11	4.0	0.2	.58	/a	20.5
Switzerland (non-member)	66.1	1.50	30.0	1.2	1.14	.21	6.2
Total	4,500.0	100.00	2,442.0	100.0			

(a) Not members of the Development Assistance Committee (DAC)
(b) Less than one million
(c) Non member for Third Replenishment

C-9. Estimated Oil Revenues, Per Capita GNP, Population, and Total Imports of Eleven OPEC Countries

Country	Estimated Government Oil Revenue ($ millions)			Estimated Per Capita Government Oil Revenue ($)			Per Capita GNP ($)	Population (millions)	Total Imports ($ millions)	
	1972	1973	1974	1972	1973	1974[a]	1971	1973	1971	1972
Saudi Arabia	2,988	4,915	19,400	393	630	2,456	540	7.8	806	1,229
Iran	2,423	3,885	14,930	79	123	461	450	31.5	1,871	2,410
Kuwait	1,600	2,130	7,945	1,758	2,131	7,223	3,860	1.0	678	797
Iraq	802	1,465	5,900	80	141	551	370	10.4	696	713
Abu Dhabi	538	1,035	4,800	11,700	22,565	43,636	3,150	0.1	n.a.	n.a.
Qatar	247	360	1,425	1,941	2,575	9,500	2,370	0.1	n.a.	n.a.
Venezuela	1,933	2,800	10,010	176	250	870	1,060	11.2	2,301	2,433
Libya	1,705	2,210	7,990	820	1,005	3,631	1,450	2.2	712	1,101
Nigeria	1,200	1,950	6,960	21	33	114	140	59.4	1,506	1,502
Algeria	680	1,095	3,700	45	71	233	360	15.4	1,221	1,760
Indonesia	480	830	2,150	4	7	17	80	124.0	1,174	1,458

[a]ODC estimate based on World Bank estimates for OPEC government oil revenues, population (mid-1971), and population growth rates.

SOURCES: Oil Revenue figures are informal World Bank staff estimates; GNP and Population figures are from *World Bank Atlas, 1974* (Washington, D.C.: World Bank Group, 1974); Import figures are based on *International Trade, 1972* (Geneva: General Agreement on Tariffs and Trade, 1973), Publication Sales No. GATT 1973-3.

Sta -
Brief comment
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THE TRILATERAL COMMISSION

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April 29, 1974

MEMORANDUM

TO: North American Commissioners

FROM: Zbigniew Brzezinski ZB

The Executive Committee of the Trilateral Commission, at its June 23-25 meeting in Brussels, will consider as one of the items on its agenda a report pertaining to the LDC's. Our three rapporteurs - Dr. Richard Gardner [Professor of Law, Columbia University, and former Deputy Assistant Secretary of State for International Organizations], Mr. B. J. Udink [former Dutch Minister Without Portfolio Responsible for Aid to the Developing Countries], and Dr. Akira Onishi [Project Director of the International Development Center of Japan] - were charged with the task of defining for the Trilateral Commission some longer range priorities concerning the LDC's as well as with the task for developing some interim recommendations concerning the more immediate crisis confronting the LDC's.

The enclosed preliminary draft is the product of close consultations among the rapporteurs and between the rapporteurs and experts and spokesmen from the LDC's, with Dr. Gardner being responsible for the actual drafting. The final version will be prepared during the month of May, and we would naturally welcome any reactions or suggestions that you may have. To be able to take your comments into account, given our tight deadlines, we will need your response by May 17.

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(First Draft, April 24, 1974)

A TURNING POINT IN NORTH-SOUTH ECONOMIC RELATIONS

First Report of the Trilateral Commission Task Force on Relations with Developing Countries

There are critical turning points in history when the lives and fortunes of large numbers of human beings hang upon the outcome of decisions taken by a small handful of national leaders. We have reached such a turning point in relations between the advanced industrialized areas of Europe, North America and Japan, on the one hand, and the developing countries of the Middle East, Africa, Asia and Latin America on the other.

The oil embargo -- the fourfold increase in oil prices -- the higher costs and severe shortages of food and fertilizer -- the unprecedented concurrence of acute inflation and serious recession throughout the industrialized world -- these events have gravely strained the tenuous fabric of international economic relations. In particular, they have detonated an explosion in North-South economic relations that was building up for years. While demonstrating more clearly than ever before the interdependence of developed and developing nations, they have also provided a new stimulus to the advocates of economic nationalism and of confrontation by economic blocs. In short, they have raised the most troubling questions about the world's ability to manage its interdependence through peaceful cooperation in accordance with the basic demands of all for welfare and justice.

We believe the time has come for new policies and new actions by the governments of the Trilateral region in their relations with developing countries. In our approach to this subject we reject any idea of a "rich man's club" forming defensive alliances against the poor. On the contrary, we seek to make the policies of our governments more responsive to the needs of the developing countries in the hope that the interests of all will be promoted.

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relations between North and South so that our proposals for emergency action may be looked at in an overall conceptual framework.

I

Our work thus far, aided by consultations with experts from both developed and developing countries, has led us to eight broad conclusions about the new approaches that need to be developed for North-South economic relations:

1. Both developed and developing countries need to give greater weight in policy-making to their growing interdependence. For the Trilateral region, this means that liberal aid and trade measures on behalf of developing countries should be undertaken not only because "it is right" but because the Trilateral world increasingly needs the developing countries as sources of raw materials, as export markets, and most important of all, as constructive partners in the operation of a workable world political and economic order. In the months and years ahead, the Trilateral countries will be engaged in negotiations with developing countries on a broad range of issues including finance and trade, energy and resources, and the law of the sea. Slowly but surely, a new system of relationships is being negotiated in place of the old one that emerged from the postwar era. This new system will not emerge unless it adequately reflects the views and interests of the developing countries; it will not survive unless these countries feel they have a stake in it.

Agreements should be of mutual benefit - ie, \$ for raw materials to be delivered now or in future - Benefits need not be equal

2. The new system of relationships must respect the right to independence and equality under international law of all members of the world community, rich and poor, large and small. We categorically reject not only old-fashioned colonialism but also latter-day concepts of neo-colonialism, paternalism and tutelage. Developing countries should be free to determine their own political, economic and social systems, free of external pressure. In particular, they should be free to determine whether and under what conditions they wish to accept foreign investment. At the same time, any system of full equality must acknowledge that every member of the community has obligations as well as rights. Among these is the obligation of fair treatment for foreigners and their property -- a concept that applies both to developing countries' citizens and investments in developed countries and vice-versa.

3. There is no room in such a new system of relationships for the concept of "spheres of influence" or even "spheres of responsibility." We reject the idea that special aid and trade policies should be developed tying Africa to Europe, Latin America to the United States or Southeast Asia to Japan. This does not exclude the free collaboration between developed and developing countries of the same region on projects based on mutual economic interest. What it does rule out are the exchange of tariff preferences between limited groups of developed and developing countries or the granting of military and economic aid in return for preferred access to raw materials. We must avoid the temptation that faces the Trilateral countries in a period of resource scarcity to concen-

trate their aid and trade favors on a relatively few resource-rich developing countries while ignoring the needs of the rest. A system that emphasizes multilateral aid flows and multilateral trade concessions is most likely to prevent this development and serve the long-term interests of all.

4. The policies of both governments and international organizations should reflect greater recognition of the differing needs and capabilities of different developing countries. From an economic point of view, the so-called "Third World" has become at least three worlds -- the oil producing countries earning huge amounts of foreign exchange, the relatively well-off developing countries with other valuable resources or a growing industrial base, and the "have-not" developing countries such as those in the Indian subcontinent and the Sahelian zone of Africa. Emphasis on these differences is not motivated by a desire to break up the unity of the developing world -- the developing countries will continue to unite when they have common interests -- it is motivated rather by a desire to adapt policies to new realities so that the legitimate interests of all will be served. For example, concessional aid should henceforth be concentrated on the have-not developing countries that need it most, with other developing countries making contributions of capital and technical assistance in accordance with their emerging capabilities.

5. The interests of both developed and developing countries will be better served in this historical period by cooperation than by confrontation. We recognize that this statement has a hollow ring in the

light of the failure of developed countries to live up to the aid and trade targets of the two U.N. Development Decades. It is true that confrontation sometimes brings short-term benefits. But in the longer run -- particularly in the difficult economic and political conditions of the mid-1970s -- it is bound to stimulate defensive and harmful responses from the governments and peoples of the developed world. The developed countries who have the military, political and economic power can only be persuaded by appeals to mutual interest; emphasis on adversary interests and the abuse of automatic majorities in international agencies is likely to delay the desired adjustments. At the same time, the developed countries should realize that confrontation has resulted from past failures of cooperation for which they bear a heavy responsibility and that they must nourish cooperation in the future by more responsive policies.

6. Much more must be done to assure that development efforts help the bottom half of the populations in the developing countries. Donor and recipient countries, working together in their mutual interest, should promote development programs that stress not only increases in GNP but also eradication of extreme poverty, a better distribution of wealth, the improvement of rural welfare, the reduction of unemployment, and broad access to education, health and social services. Two key elements in such a "people-oriented" development strategy, in our judgment, should be measures to increase food production and to reduce excessive population growth by giving every couple access to the best available information and means of family planning.

Analysis of material balances & optimum exchanges among nations ?

7. New rules and arrangements governing access to supplies should be part of a new system of relations between developed and developing countries. Such new rules and arrangements would be in the general interest, for at least four reasons: First, developing countries as a group are as dependent on developed countries for supplies of food and manufactured goods as developed countries are dependent on them for supplies of energy and raw materials. The logic of interdependence suggests the need for some agreed limits on the ability of producers to cut off the essential supplies of others for political or economic reasons. Second, countries faced with the prospect of supply cut-offs are likely to seek more secure alternatives through policies of national or regional self-sufficiency -- thus export controls breed import controls. Third, the availability of substitutes and synthetics sets serious limits on the practicability of producer cartels for commodities other than oil; even in the case of petroleum, present prices are likely to reduce the revenues of the oil producers over the long-term by accelerating the shift to alternative sources of energy. Fourth, the "have-not" developing countries have the greatest stake in reasonable access to food, energy and other supplies. Any international system that leaves them at the mercy of supplying countries fails to meet minimum requirements of economic justice. Having said all this, we recognize that access to supplies is not likely to be negotiated except in the context of a more satisfactory international system. The challenge to developed and developing countries is to fashion a "world order bargain" in which access to supplies is traded for other kinds of

access -- access to markets at stable and remunerative prices, access to technology and capital, and access to a reasonable share of decision-making in international economic forums.

8. Last but not least, a new system of North-South relations should include a restructuring of international economic institutions to reflect new political and economic realities as well as the need to command the confidence of both developed and developing countries. The developing countries, and particularly the oil producing countries, should have more voting rights and a greater role in the management of the International Monetary Fund and World Bank group. At the same time, some procedural reforms are needed in those forums such as the General Assembly, UNCTAD and GATT where the one-nation one-vote principle fails to reflect fairly the balance of economic interest and power. Differential voting rights may be difficult to negotiate, but resort can also be had to special majority requirements, committees with selective representation, and conciliation procedures using impartial and expert third parties. Obviously institutional changes cannot be a substitute for political will, but such reforms could help promote a sense of confidence in the objectivity and effectiveness of international institutions that is presently lacking.

We realize only too well that the broad concepts outlined above leave many hard questions unanswered. These hard questions -- or at least some of them -- will be examined in our second report. Among them are the following:

-- How can we build political support in the Trilateral countries for liberal aid and trade policies at a time of acute inflation, stagnant growth, rising unemployment and political instability?

-- What specific changes in the policies of governments and international agencies would be necessary to implement a "people-oriented" aid strategy?

-- Should the Trilateral countries support the establishment of new sources of development assistance independent of annual government decision-making such as the "link" with SDR creation or revenues from seabed exploitation?

-- How can the Trilateral countries open their markets to the agricultural and manufactured exports of the developing countries while assuring orderly internal adjustment?

-- How can the potential of foreign investment in general and the multinational corporation in particular be utilized consistently with the needs and aspirations of developing countries?

-- What specific rules on supply access would be desirable and feasible as part of the "world order bargain"?

-- What kind of commodity agreements -- and on what specific commodities -- would serve the general interest?

-- In particular, what kind of cooperative arrangements and joint ventures would harmonize the oil producing countries' interests in industrialization and diversification with the oil consuming countries' needs for secure and reasonably priced energy supplies?

II

We return now to the first aspect of the problem that was mentioned at the outset -- the urgent need to find some $3 billion in extra concessional aid for the poorest developing countries of the "Fourth World" in 1974-75. This problem cannot wait until the world finds negotiated solutions to all the unresolved questions of North-South economic relations mentioned above. As Robert S. McNamara, President of the World Bank, put it recently in his report to the Bank's Executive Board: "Unless substantial additional resources for both long-term investments and immediate balance of payments needs are provided quickly, the hopes of hundreds of millions of people for even modest advances in their economic well-being during the remainder of this decade will be shattered."

Only last year, the World Bank estimated that the developing world as a whole would be able to sustain the 6% rate of growth which was the minimum objective of the Second United Nations Development Decade. This relatively hopeful prospect has been shattered by the following main developments:

-- the quadrupling of oil prices has added about $10 billion a year to the import bills of the non-oil producing developing countries;

-- the tripling of food and fertilizer costs has added another $5 billion a year to the import bills of these countries;

-- there has been a drastic increase in the prices of other raw materials and manufactured goods imported by developing countries;

-- the general economic slowdown in the industrialized world is reducing the foreign exchange earnings flowing to developing countries from merchandise exports, tourism and workers' remittances.

The full meaning of these events for the developing countries may be understood when it is realized that the extra $15 billion that these countries must now pay for oil, food and fertilizer is almost double the $8 billion in total development assistance coming to them each year from all the industrialized countries of the Trilateral region.

In terms of their capacity to absorb these drastic economic blows, the non-oil producing developing countries can be divided into two categories:

First, there are countries like Mexico, Brazil, Turkey, and Malaysia, which enjoy substantial foreign exchange reserves, high prices for their exports or ready access to capital markets. However, even some of these countries will require additional short or medium-term borrowing facilities from international institutions to enable them to maintain their development programs during the 1974-75 period.

Second, there are the low and middle-income developing countries that lack large foreign exchange reserves, buoyant export prospects, or the ability to service credit on commercial or near-commercial terms. This group includes some 30 countries with nearly 1 billion people, among them India, Pakistan, Bangladesh, the Philippines, some tropical African countries, and a few countries in Latin America. The World Bank estimates the needs of these countries for additional concessional aid at $0.8 billion in 1974 and $2.1 billion in 1975 -- a total of about $3 billion.

There are two main sources of potential aid for these two categories of developing countries -- the oil producers and the

Trilateral world. The oil revenues of the members of the Organization of Petroleum Exporting Countries (OPEC) are expected to increase from about $15 billion in 1972 to about $85 billion in 1974. Those OPEC members with large populations and large development needs (Iran, Algeria, Nigeria, Venezuela, and Indonesia) will be able to spend all or most of their additional oil revenues on imports. Other OPEC members with relatively sparse populations (Saudi Arabia, Kuwait, Iraq, Libya, Abu Dhabi and Qatar) will have vast sums available for investment overseas.

The countries of the Trilateral region represent the other possible source of help. As a group, they will be paying about $60 billion more for their oil imports in 1974 over 1973. This will both accelerate their rates of inflation -- already well into double figures -- and aggravate the slowdown in their economies. For many of the Trilateral countries, 1974 will be a year of zero or minus growth in real terms -- living standards will probably be lower for the majority of the citizens of these countries by the end of 1974 than they were at the beginning. Moreover, almost all of the Trilateral countries will suffer large trade deficits as a result of increased oil costs. However, it should be recalled that the Trilateral countries already stand on a plateau of unprecedented affluence -- ranging from an income per capita of over $2,500 in Japan and Europe to over $5,000 in the United States, and that real incomes are expected to rise once again in 1975 and subsequent years after the "oil shock" has been digested and the recession has run its course.

Thus the capabilities for a rescue operation on behalf of the developing countries are there -- the question is the political

will to use them. On the one side, the Trilateral countries see their economic prospects diminished, in substantial part because of an oil price increase imposed by the OPEC countries. Some people in the Trilateral countries are saying that the OPEC countries who have profited from the increased oil prices should take the responsibility for helping the developing countries meet the resulting burdens. The OPEC countries, in their turn, point out that the Trilateral countries have reaped gains of their own from price increases of food and fertilizer and industrial goods and reject any suggestion that their oil earnings should be treated differently from earnings on other commodities. They consider the oil price increase as a belated correction for years of unduly cheap oil which benefited the developed countries; and they point out that the combined GNP of the Trilateral world comes to about two trillion dollars, while the combined GNP of the OPEC countries is about $200 billion -- one-tenth of the Trilateral total.

We must not allow the plight of the non-oil producing developing countries to worsen while the Trilateral world and the OPEC countries argue about who is to blame for the present crisis. Nor will anything be gained by controversies about what is a "fair" price for oil. In our opinion, the market price for oil during 1950-70 did not adequately reflect its exhaustibility, the need to develop new energy sources, and the general interest in curtailing wasteful comsumption. While we also feel that the interests of the oil producing countries as well as of the oil consuming countries would have been better served by a more gradual and somewhat smaller

price increase, we believe oil prices are likely to come down in relative terms over the next few years through changes in energy demand and supply patterns that are now underway. In any event, we feel strongly that a desire to secure a price rollback must not get in the way of urgent measures to help developing countries avoid economic disaster. The financial solutions that will shortly be suggested will have no appreciable effect on the price question. Moreover, it is morally unacceptable to seek an oil price rollback by putting in jeopardy the lives of millions of innocent people.

We believe the proper approach to burden-sharing between the Trilateral World and the OPEC countries is to recognize that the former bear a special responsibility because they have a vastly greater total national income and that the latter also bear a special responsibility because of the dramatic increase in their export earnings and therefore in their capacity to invest sums abroad. This suggests that a new initiative between the Trilateral and OPEC countries should be undertaken along the following lines:

1. The two groups of countries should cooperate in making a success of the new "oil facility" proposed by Johannes Witteveen, the Managing Director of the International Monetary Fund. Under this facility, both developed and developing countries facing balance of payments difficulties from increased oil costs will be allowed access to their quotas free from the usual conditions that govern drawings beyond the "gold tranche." The Trilateral countries who already have substantial amounts of their currencies in the Fund would allow them to be drawn on for this purpose. The OPEC countries with surplus resources would contribute a portion of these on commercial terms to support the oil facility.

2. To assure the continued flow of development capital to those developing countries which are able to service commercial loans, the Trilateral countries would continue to permit sales of World Bank bonds in their capital markets, while OPEC countries would agree to invest a substantial portion of their reserves in these securities.

3. Most importantly, the Trilateral countries and the OPEC countries would establish an emergency concessional aid package of $3 billion for 1974-75 to help the countries of the "Fourth World." We believe it would be reasonable to share the burden equally between the two groups of countries -- The Trilateral world underwriting $1.5 billion, and the OPEC countries underwriting the other $1.5 billion.

The distribution of the burden within the two groups of countries would be a matter for negotiation within each group:

We believe the Trilateral countries should share in the $1.5 billion in the same proportion as they are sharing in the $1.5 billion per year for three years called for in the fourth replenishment of the International Development Association. What this would mean in additional commitments by each Trilateral member is indicated in Table 1. The Trilateral countries would be free to discharge these additional commitments by contributions of multilateral or bilateral financial aid, by additional food aid on concessional terms, or by the write-off or postponement (by a minimum of ten years) of debt repayments due from "Fourth world" countries. The Trilateral countries would also agree to maintain their existing aid flows and make available the sums called for in the agreement on the fourth IDA replenishment. In this connection favorable action by the U.S. Congress on the pending IDA legislation is needed without further delay.

No already agreed guidelines exist for the apportionment of the other $1.5 billion among the OPEC countries. We note, however, that this sum represents about 2 percent of the $70 billion increase in their oil revenues that took place between 1972 and 1974. Table 2 shows one possible apportionment based on OPEC members' shares in the $70 billion increase. These figures could perhaps be adjusted to reduce the share of OPEC members with very low per capita incomes, such as Algieria, Nigeria and Indonesia. OPEC countries would be free to make their contribution in the form of sales of oil on concessional terms equivalent to U.S. concessional food sales (40 year credits at 3 per cent interest) or by increasing bilateral or multilateral financial aid.

For both political and economic reasons, we believe that the $3 billion aid package should be made available through multilateral channels so far as possible. Food aid should be made available under arrangements to be worked out at the World Food Conference in November. Debt forgiveness and postponement should be negotiated under the auspices of the IMF and World Bank. Financial aid should be administered by existing multilateral institutions which possess the requisite technical and management skills to assure its effective use. This means such existing institutions as the International Bank/International Development Association, the Inter-American Development Bank, the African Development Bank and the Asian Development Bank. Special emphasis should be given to projects to increase domestic food and energy supplies in the recipient countries.

We believe there are a number of options open to the OPEC and Trilateral countries that could make use of these existing institutions while assuring the donors of a satisfactory measure of control over the use of their funds:

-- direct contributions to the concessional funds of these institutions, with appropriate renegotiation in voting rights and decision-making arrangements;

-- creation of a "special fund" in the IBRD/IDA with special voting and decision-making arrangements governing use of that fund;

-- case-by-case participation by Trilateral or OPEC countries in loans of the multilateral institutions (as in the recent IBRD loan to Syria, half of which was subscribed by the Kuwait fund);

-- use of the multilateral institutions as executing agencies for bilateral or regional aid programs approved by the OPEC countries.

All in all, we believe the general interest of OPEC countries, Trilateral countries, and aid-receiving developing countries would best be served by the first three of these four alternatives. But the precise means to be adopted are less important than the end to be achieved, which is the immediate provision of the $3 billion in additional aid.

We also believe the Soviet Union should be invited to participate in the $3 billion concessional aid package, in the light of its considerable economic capabilities and the fact that it has benefited on the whole from the increase in raw material prices. The spirit of detente and of global solidarity would be importantly strengthened by Soviet cooperation in this initiative to help the "Fourth world." To the extent that the Soviet Union can be persuaded to make a contribution, the amount required from the Trilateral and OPEC countries would be proportionately reduced.

In our opinion, time is now of the essence. The full impact of the plight of the developing countries has not registered so far because financial settlements for oil are made quarterly and bills for oil shipped at the new high prices are only just coming due. The "crunch" will come

this summer when accounts for the second quarter of the year have to be settled.

It is imperative, therefore, that the $3 billion aid package be worked out during the next three months for final approval at the annual Fund and Bank meetings during the last week of September. A high-level group to negotiate this package should be assembled as soon as possible under the joint auspices of the Secretary-General of the United Nations and the President of the World Bank, with the participation of both OECD and OPEC countries and, if possible, of the Soviet Union.

We conclude with our opening observation: the world has reached a crucial turning point. We call on the Trilateral countries, in their enlightened self-interest, to assume shared responsibility with the members of OPEC in a new venture of cooperation to cope with the present emergency and spare millions from disaster before it is too late.

TABLE 1

COMPARATIVE INDICATORS FOR IDA CONTRIBUTING COUNTRIES

Donor Nations	Fourth Replenishment Contribution		Third Replenishment Contribution		% of combined GNP of contributing countries	Official Development Assistance as % GNP in 1972	Population (Millions)
	Millions U.S. dollars equivalent and Percentage of Total						
Part I Countries							
Australia	$ 90.0	2.0 %	$ 48.0	2.0 %	1.72 %	.61 %	12.3
Austria	30.6	0.7	16.3	0.7	.77	.09	7.4
Belgium	76.5	1.7	40.8	1.7	1.34	.55	9.6
Canada	274.5	6.1	150.0	6.1	3.93	.47	21.1
Denmark	54.0	1.2	26.4	1.1	.78	.45	4.9
Finland	25.2	0.5	12.2	0.5	.49	/a	4.7
France	253.5	5.6	150.0	6.1	7.51	.67	50.3
Germany	514.5	11.4	234.0	9.6	9.77	.31	60.8
Iceland	1.3	0.03	--	--	.03	/a	/b
Ireland	7.5	0.2	3.9	0.2	.20	/a	2.7
Italy	181.3	4.0	96.7	4.0	4.37	.09	53.2
Japan	495.0	11.0	144.0	5.9	11.27	.21	102.3
Kuwait	27.0	0.6	10.8	0.4	.13	/a	0.6
Luxembourg	2.2	.05	1.2	.05	.05	/a	0.3
Netherlands	132.7	2.9	67.5	2.8	1.71	.67	12.9
New Zealand	11.7	0.26	3.3	0.25/c	.31	/a	2.8
Norway	49.5	1.1	24.0	1.0	.58	.41	3.9
South Africa	9.0	0.2	3.0	0.1	.72	/a	20.2
Sweden	180.0	4.0	102.0	4.2	1.52	.48	8.0
United Kingdom	499.5	11.1	311.0	12.7	5.75	.40	55.5
United States	1,500.0	33.3	960.0	40.0	43.36 —	.29 —	203.2
Part II Countries							
Israel	1.0	.02	--	--	.26	/a	2.9
Spain	13.3	.30	2.5	0.1	1.73	/a	22.5
Yugoslavia	5.0	.11	4.0	0.2	.58	/a	20.5
Switzerland (non-member)	66.1	1.50	30.0	1.2	1.14	.21	6.2
Total	4,500.0	100.00	2,442.0	100.0			

(a) Not members of the Development Assistance Committee (DAC)
(b) Less than one million
(c) Non member for Third Replenishment

TABLE 2

C-9. Estimated Oil Revenues, Per Capita GNP, Population, and Total Imports of Eleven OPEC Countries

Country	Estimated Government Oil Revenue ($ millions)			Estimated Per Capita Government Oil Revenue ($)			Per Capita GNP ($)	Population (millions)	Total Imports ($ millions)	
	1972	1973	1974	1972	1973	1974[a]	1971	1973	1971	1972
Saudi Arabia	2,988	4,915	19,400	393	630	2,456	540	7.8	806	1,229
Iran	2,423	3,885	14,930	79	123	461	450	31.5	1,871	2,410
Kuwait	1,600	2,130	7,945	1,758	2,131	7,223	3,860	1.0	678	797
Iraq	802	1,465	5,900	80	141	551	370	10.4	696	713
Abu Dhabi	538	1,035	4,800	11,700	22,565	43,636	3,150	0.1	n.a.	n.a.
Qatar	247	360	1,425	1,941	2,575	9,500	2,370	0.1	n.a.	n.a.
Venezuela	1,933	2,800	10,010	176	250	870	1,060	11.2	2,301	2,433
Libya	1,705	2,210	7,990	820	1,005	3,631	1,450	2.2	712	1,101
Nigeria	1,200	1,950	6,960	21	33	114	140	59.4	1,506	1,502
Algeria	680	1,095	3,700	45	71	233	360	15.4	1,221	1,760
Indonesia	480	830	2,150	4	7	17	80	124.0	1,174	1,458

[a]ODC estimate based on World Bank estimates for OPEC government oil revenues, population (mid-1971), and population growth rates.

SOURCES: Oil Revenue figures are informal World Bank staff estimates. GNP and Population figures are from *World Bank Atlas, 1974* (Washington, D.C.: World Bank Group, 1974); Import figures are based on *International Trade, 1972* (Geneva: General Agreement on Tariffs and Trade, 1973), Publication Sales No. GATT 1973-3.

MEMORANDUM

TO: Jimmy Carter

FROM: Stu Eizenstat

DATE: February 6, 1975

RE: Notes on Visit to Brookings Institution on January 28, 1975

PARTICIPANTS: Henry Owen, Fred Bergsten, Larry Krauss, Barry Bleckman, Ed Fried, Philip Farley, Art Wood.

I. ENERGY AND FOREIGN ECONOMIC POLICY (Ed Fried, Larry Krauss, Henry Owen)

A. Mr. Fried disagreed with the prophets of doom forecast the national economic chaos as a result of drastically higher oil prices and huge surpluses to OPEC members. He did state that he felt the impact of higher oil prices in 1974 was reflected in a 2 to 3 percent adverse impact on world GNP and a similar 2% to 3% impact on world inflation.

However, he felt that the problems on the international front caused by the energy crisis were manageable.

B. He stated that in 1974 the world oil market declined in absolute terms. He also stated that he believed in 10 years the amount of oil exports would not be any larger than they were in 1974, given the current level of oil prices. Other energy sources and other oil resources were being exploited by countries outside the OPEC cartel which would reduce the need for imported oil from many nations now importing it heavily. This would likewise lead

to a weakening, though not a drastic reduction, in world oil prices.

C. Mr. Fried stated that the OPEC nations accumulated roughly a 55 billion to 65 billion dollar surplus in oil revenues in 1974. However, he stated that he felt that this would be less of a problem in the future for several reasons. For one thing, he stated that the OPEC countries were largely low income countries with ambitious local development programs into which surplus would be sunk and also indicated that some of the surplus would be used for loans to other developing countries. Therefore, the surplus in the future will be recycled to a better extent than it was in 1974 when the OPEC countries were, at that time, unprepared to spend the surplus.

D. The following comments were made regarding recycling of OPEC funds:

1. The commercial banking system was now handling the great bulk of the recycled funds. Due to the high short term interest rates in the United States, much of the Arab oil money was going into short term investments. However, if short term interest rates decline in relation to long term interest rates, the Arab countries will have a greater incentive for long term investment. In any event, the American banking system had not absorbed all of the short term Arab money it can handle, although particular banks were unwilling to take more short term investment from Arab countries than they now had.

2. The European countries were pushing for an expanded

facility within the International Monetary Fund under which oil exporting countries would loan money to the IMF which would then be lent to importers so that they could afford the increased costs of oil. The incentive to the Arab nations to lend the money would be that they would be investing in a high quality de instrument and would be providing funds for the purchase of their product, oil.

3. Kissinger-Simon program was to establish a facility outside of the International Monetary Fund which would provide a lending facility within the industrialized world and would therefore be tagged closely to energy cooperation between the industrialized countries. The industrialized countries would lend to each other with a multi-lateral sharing of risk.

4. The difficulty with recycling is that the borrower countries are now economically weaker due to the world recession.

Recycling becomes a particular problem for the developing countries. Many have done surprisingly well despite the enormous increase in oil prices because commodity prices have likewise risen tremendously and these countries are commodity exporters. However, commodity prices are now declining and this will put an added burden on these countries. In addition, certain of the developing countries are not commodity exporters, such as India, which has to import both food and energy.

We were told very frankly that the problem with India and some of the other south Asian countries would soon become a moral

problem because of mass starvation and an inability to pay for both food and oil.

5. It was a general consensus that there was not a need for any greater central government involvement in the recycling process than a combination of the Kissinger-Simon and IMF proposals.

6. There was a general consensus that it would be useful to have the federal government develop an oversight capacity to identify all foreign investors in American companies. At the same time, it was felt unwise to overly restrict foreign investments particularly when American companies were in drastic need of capital for investment.

Currently, there are few laws which would prohibit the Arab nations from buying controlling shares in American corporations which have no direct relationship to national security. However, it was noted that we are the greatest foreign investors in the world and that any over reaction on our part would be matched by a similar reaction by other countries.

In addition, it was felt that the Arab nations were really interested in internal investment in their own countries rather than taking over the United States. Nevertheless, it was felt that this oversight capacity to identify foreign investors and to screen take-over bids would be useful and would not upset our foreign relations.

II. FOREIGN AID

While foreign aid was not discussed in any detail, it was the general consensus that bilateral foreign aid has no future and that the future of foreign aid is through multi-lateral institutions, such as the World Bank.

There was also a good deal of optimism expressed about the international agricultural development fund. This is a fund into which countries would invest money which would then be shifted to the developing countries to increase their agricultural production. This would not only help solve the moral problem of world starvation, but would lead to greater amounts of food on the international market and less inflation to the U.S. This could be viewed as not simply another giveaway project, since it would not only help starvation but it would assist our own fight against inflation.

III. DEFENSE SPENDING (Barry Bleckman, Ed Fried, Henry Owen, Phil Farley)

After some discussion, it was indicated that the defense budget could be cut without impairing our defense posture and, indeed, perhaps strengthening it by making it more efficient.

However, it was noted that substantial cuts in the defense budget, other than on "frill" items would require the basic policy decisions regarding our foreign policy.

The following are certain of the areas where reductions might be made:

A. Reductions in American troop strength in southeast Asia.

1. We currently have some 12,000 troops stationed in the Phillipines and over 30,000 troops stationed in Thailand, as well as 3 carriers in the area. There was substantial agreement that with our Vietnam experience we did not want these troops engaged in a land war in Asia and that there was little reason to keep the troops in either the Phillipines or in Thailand, and that one of the carriers could be removed from the area. This would lead to a reduction in troops of roughly 50,000 and a reduction in support personnel of an equal number, which would lead to a possible savings of two billion dollars.

B. Reductions in troop strength in northeast Asia.

It was felt that unlike southeast Asia where American troops could be totally eliminated that in the northeast Asian areas (Japan, Korea, Okinawa)a moderate reduction over time could be effectuated without reducting our defense posture. Mr. Owen felt strongly that it would be a mistake to substantially reduce our troop strength in Japan. He stated that a substantial reduction in American troop strength in Japan would inevitably lead to Japanese rearmament which in return would lead to increased Chinese-Japanese tension and increased tension between Japan and her other southeast and northeast Asian neighbors. It would also lead to increased anti-Americanism in Japan for having abandoned Japan and would lead inevitably to development of a

nuclear capacity by Japan. However, Mr. Owen did feel that we could reduce our base structure in Japan and reduce our troop strength in Okinawa completely, and also reduce our Korean force. While no dollar figure could be put on the savings here it would run into substantial amount of money.

C. Possible reductions of troop strength in Europe or change in our defense strategy in Europe.

There was a consensus in the group as expressed to us that unilateral reduction of American troop strength in Europe would be a mistake. It was pointed out to us also that the combatant level of our forces worldwide has declined steadily since 1968. The reservation was expressed that Senator Mansfield's proposal for unilateral withdrawal of American troops in Europe would revive fears among Germany's allies of a revival of German militarism since the Germans would almost certainly have to increase their defense expenditures. It was also felt that such a unilateral reduction would damage East-West relations.

However, there was substantial agreement that certain steps should be taken in Europe. Thus, it was stated that the most likely war in Europe was a short, intense war either ending quickly or leading to nuclear war. Yet, our force structure and set-up in Europe are premised on the theory of a long, drawn out land war in Europe. We should shift to a short war notion which would lead to the same level of support forces but could lead to a lower level of combatant forces. In this way, some saving could

be effected without at the same time making Europe feel betrayed or without reducing the deterrent balance in American troops in Europe had, without reviving fears of German militarism and without a feeling of betrayal by our European allies at a time when cooperation is imperative.

It was estimated that the United States has some 200,000 men in the Army and some 100,000 men in the Navy and Air Force in Europe.

D. It was felt that the following additional steps could be used to effect savings in the defense budget:

1. The reserve structure of the American Armed Forces was anachronistic. The reserves cost four and one-half billion dollars per year. This figure could be cut in half without seriously impairing defense capability of the American fighting forces.

2. Another option would be to improve the readiness of the reserves and to use them in selected places as a substitute for active forces, thereby being able to reduce certain of the active forces.

3. A change in the ratio of support forces to active forces could lead to some savings.

4. As explained above, the total force structure itself could be reduced in certain areas, particularly in southeast asia.

E. Brookings estimated in a recent study that if procurement programs were not changed that over the next few years the real cost of procurement would rise 4% in real terms each year. One way to cut this increase would be to stop buying the most expensive weapon systems. Thus, for example, the B-1 bomber program could be ended and the life of the B-52 could be stretched out. Moreover, the Trident submarine program can be replaced with a less expensive submarine.

At the same time, some reservation was expressed about the capacity of our current Navy. It was mentioned that our Navy had dwindled from 900 ships to 500 ships. Due to inflation, in order to keep the present force levels in the Navy it was estimated that the amount for ship building would have to double.

IV. ARMS AND ARMS CONTROL (Phil Farley, Art Wood)

Insofar as arms to the Middle East are concerned, Mr. Farley indicated that there is currently a thirteen billion dollar backlog in arms orders in the Pentagon and that two-thirds of this amount of arms would be shipped to the Middle East. This represents a tripling of arms orders from other countries as compared with several previous years. For 1974, the State of Israel received 2.2 million dollars in arms and military assistance. For this year, 2.5 billion dollars in economic and military aid was requested some three-quarters of which is for military systems to make up for losses in the Yom Kippur War. It was

estimated that Israel spent 40% of her gross national product on military expenditures and that this military and economic assistance is essential to keep Israel afloat.

2. The Vladivostok Agreement.

Mr. Wood felt that there was a good prospect for the Vladivostok agreement to be effectuated.

Mr. Wood indicated that there were certain very important questions about the Vladivostok agreement. First, there was a question as to whether the United States should build up to the levels which are permitted by the Vladivostok agreement. It was felt that we ought to take the position that we would not build up to the levels permitted unless the Russians showed a commensurate build up and showed signs of passing us.

Mr. Wood estimated that the Russians have now some 2400 missiles, none of which have MIRVS on them. These missiles consist of some 1400 ICBM's, 900 SLBM's, and some 140 bombers.

He indicated that the force levels in a nuclear sense on both sides were so large as to constitute a tremendous "overkill". It had been estimated that 400 megatons of nuclear weapons could destroy 30% of the population and two-thirds of the industrial capacity of Russia but the United States now has over three times this amount of megatonage.

Mr. Wood did feel strongly that we ought to maintain a balance in nuclear strength with Russia.

He also indicated that there was some 7000 tactical nuclear weapons in Europe which have no real purpose. In any large scale combat in Europe it would be difficult to insulate these tactical weapons. He stated that the only utility they served was as a deterrent to the other side using tactical nuclear weapons but that this deterrent could be maintained even with a substantial reduction in tactical nuclear weapons.

Mr. Wood discussed certain verification problems that any agreement on nuclear arms would have to deal with. He indicated that you could not count tactical nuclear stock piles but that a rough estimate could be made by looking at reactors, which could be verified. He also indicated that it was possible to count strategic delivery vehicles but not tactical delivery vehicles. He also stated that it was possible to count the number of launchers, not the number of warheads placed into launchers.

The United States currently has some 800 MIRV's with 3 to 14 warheads on them and indicated that the Russians would have no way of knowing the actual number of warheads placed on a particular missile except through what they might learn from our political system. So too, we could verify the number of missiles on which they had MIRV's but we would not know the number of warheads mounted thereon.

He stated that any disarmament talks were complicated by

the fact that there were other nuclear powers. He stated that it was to the advantage of the United States to stay a super power in respect to other nuclear countries but that this status could be maintained with a reduction in American nuclear arms.

He also stated that he felt the existence of nuclear weapons did deter conventional warfare but that this same deterrent could again exist either with substantial reductions in our nuclear force.

Mr. Wood stated that there are currently in the pipeline enough new nuclear weapons to bring us up to the total of 10,000 within the fairly near future. The Vladivostok agreement permits the United States to have 18,000 nuclear weapons. A significant question is whether we should build up to this 18,000 nuclear weapon limit or state that we feel 10,000 weapons is enough.

It was felt by Mr. Bleckman and by Mr. Wood that Russia would attempt to build up to the 1320 MIRVed missiles permitted under the Vladivostok agreement but it would take some 6 years for it to reach this level.

Mr. Wood stated that he felt the SALT I agreement on the ABM system indicated the military unusability of certain nuclear weapons and indicated a commitment on both the part of the United States and Russia to remain vulnerable to an initial ballistic missile attack forever. SALT II, the Vladivostok agreement,

was a sign of the political unusability of certain nuclear weapons. It indicated a political decision to maintain substantially equal nuclear force on the part of the United States and Russia so neither can throw its weight around with an asymmetry of nuclear power. Mr. Wood indicated that he flet the next step would be to work out a cooperative venture to manage the evils of nuclear weapons by reducing the absolute levels of them. Perhaps the first step would be to reduce certain obsolete systems which would symbolically indicate the step being taken to reduce absolutely the level of each side's nuclear forces.

THE GOVERNABILITY OF DEMOCRACIES

Report of the Trilateral Task Force
on the Governability of Democracies

Rapporteurs

Michel Crozier
Samuel P. Huntington
Joji Watanuki

THE TRILATERAL COMMISSION
MAY 1975

This report has been prepared for the Trilateral Commission and is released under its auspices. It will be discussed at the Trilateral Commission meetings in Kyoto, Japan on May 30-31, 1975. The authors, who are experts from North America, Western Europe and Japan, have been free to present their own views. The Commission will utilize the report in making any proposals or recommendations of its own. It is making the report available for wider distribution as a contribution to informed discussion and handling of the issues treated.

CONTENTS

SUMMARY

After a long period of rather steady progress and sense of progress, the democratic political systems in the Trilateral regions have entered a more difficult and uncertain phase, particularly in Europe and the United States. The demands on democratic government have grown, while the capacity of democratic government seems to have shrunk. How is the historical situation to be understood? How can our democratic systems be strengthened and made more effective?

The following is a summary of the regional chapters and of the conclusions.

EUROPE

Despite their marked diversity, Western European democracies face the same growing difficulties in maintaining an adequate decision-making capability. They are becoming increasingly non-governable because they cannot master the very complexity which is the natural result of their economic growth and political development and because the bureaucratic means they have traditionally used to maintain social control tend to foster irresponsibility and consensual breakdown.

The traditional model of government which was built on a subtle screening of participants and demands has gradually broken down under the impact of social and economic complexity, the information explosion and the democratic ethos. Democratic openness now means overload and inadequate regulation.

In many Western European states, basic social control has been imposed by the state apparatus, rather isolated from the population. When social control has been traditionally achieved by strong bureaucratic pressure, as in France or Italy, a democratic consensus has not developed fully and consensual breakdowns are endemic. An alternative model is presented by some Northwestern European states, Sweden in particular, or by Switzerland, where a solid democratic consensus was achieved and the central bureaucracy held in check. Even here, however, we now find a drift toward alienation, irresponsibility, and consensual breakdown.

European integration, ironically, has tended to reinforce national bureaucratic structures. While problems are more and more regional in nature, inadequate national bureaucracies harden their hold. The European Community bureaucracy, which for a time was useful in making "rational" regional solutions more acceptable, has now lost its role.

Underlying these developments in the socio-political systems of Western Europe are a number of social, economic, and cultural changes. Of great importance has been the "explosion" of "social interaction." Concurrently, citizens are learning to reject and discard traditional hierarchical values and social control based on them, which attacks a fundamental base of European government. The media are an important source of disintegration here. They help break down old barriers to communication and make it impossible to maintain the cultural fragmentation and hierarchy that was necessary to enforce traditional forms of social control. Traditional institutions like the church, the schools and the army are collapsing as authority structures buttressing social control. Modes of organizing economic enterprises are under pressure as well. The upsetting of the intellectual world is helping fuel a cultural crisis of great importance, weakening Western Europe's sense of purpose, capacity to lead and capacity to govern itself. Traditional conceptions of rationality, with us at least since the Enlightenment, are being called into question (although core political beliefs in, for instance, individual freedom, equality, and order and efficiency remain rather stable).

Instead of the expected appeasing of societal tensions, economic growth has exacerbated them in Europe, through the disruptive consequences of accelerated change, destroying traditional systems of regulation. Inflation, which is an "easy answer" to the tensions of growth, is at the same time an independent source of disruption which exacerbates conflicts and reduces the capacity of groups and societies to act.

It is argued that European political systems are more threatened than those of Japan or the United States. They have to carry through a basic mutation in their model of government and their mode of social control, while facing a crisis from within and a crisis from without. They certainly have the capacity to meet such a challenge. But they will be extremely vulnerable for a rather long period, and political "regression" is not impossible. Regression to the right is unlikely but one should worry about a possible regression to the left. The communist parties which have emerged more and more as the parties of order and which have been able to maintain their organizational superiority can provide a serious alternative. Such regression could fit a very strong tendency in Europe to develop state socialism and bureaucratic control as the easiest solution to maintaining order in the face of unmanageable conflicts.

THE UNITED STATES

The 1960s witnessed a dramatic renewal of the democratic spirit in America. This "democratic surge" has brought a substantial increase in governmental activity, but also a substantial decrease in governmental authority. The very vitality of democracy in the United States in the 1960s has thus helped create a "democratic distemper" that raises questions about the governability of American democracy in the 1970s.

The increase in government activity can be conveniently measured in terms of governmental expenditures. In response to the internal democratic surge of the 1960s, we find a massive "Welfare Shift" in government expenditures. This is the second marked shift and increase in government expenditures in the postwar period, the first being the "Defense Shift" of the early postwar years, in response to the external Soviet threat. Impressive quantitative evidence of both shifts is presented in the report, along with evidence that both shifts were closely connected to trends in public opinion. During the 1940s and 1950s, the American public willingly approved massive programs for defense and international affairs. During the mid-1960s, public opinion on these issues changed drastically. Simultaneously, publuc opinion became more favorable to governmental spending for domestic programs.

The "essence" of the democratic surge of the 1960s was a general challenge to existing systems of authority, public and private. In politics, the decline in authority of existing systems can be seen in several major ways.

1. Decline in Public Confidence and Trust in Political Leaders and Institutions

Marked evidence of this decline is presented by public opinion polls. The decline, in turn, can be related back to a somewhat earlier tendency towards ideological and policy polarization. The democratic surge produced a more active, politically-involved citizenry, which developed increased ideological consistency on public issues, and which then lost its confidence in public institutions and leaders when governmental policies failed to correspond to what they desired. This loss of confidence parallels a decline, evidenced in polls, of the general sense of "political efficacy" among citizens of the country.

2. The Decay of the Party System

The significance of party as a guide to electoral behavior has declined substantially. Issue politics has replaced party politics as the primary influence on mass public behavior. This is true in the

voting behavior of elected representatives as well. As organizations, existing parties are losing coherence and strength. It is a "peculiar paradox" that while popular participation in politics was rising, the premier organization designed to structure and organize that participation was declining. One might suggest we are in the midst of one of the periodic major realignments of American parties, but the new coalitions are yet to emerge. If political participation is not organized through the means of political parties, how will it be organized?

3. The Shifting Balance Between "Government" and "Opposition"

During the 1960s, the central governing institution in the American political system, the Presidency, declined in power; institutions playing opposition roles in the system, most notably the national media and Congress, significantly increased their power. The decline in effectiveness of the President as the principal leader of the nation was related to the decline in the effectiveness of leadership at other levels in society and government. The absence of strong central leadership in Congress (on the Rayburn-Johnson model, for instance) made it impossible for a President to secure support from Congress in an economical fashion. The nationwide "informal governing coalitions" which have buttressed postwar Presidents, from both private and public power centers, have substantially disintegrated. The independence of bureaucratic agencies vis-a-vis the President has inevitably been strengthened by the growing power of the national media and Congress.

The decline in governmental authority resulting from the "democratic distemper" in America reduces the capacity of the government to deal with complex problems. While public expectations rise, problems become more intractable. Economic nationalism is encouraged. Foreign policy burdens are resisted. The decline in the governability of American democracy at home means a decline in the influence of America abroad.

The causes of the democratic surge and distemper in the United States may be found to some extent in other Trilateral countries as well -- the revolt of youth, the emergence of post-industrial society. The timing and nature of the surge in the United States also need to be explained, however, by distinctive dynamics of the American political process. The roots of the surge are to be found in the basic American value system and the degree of commitment which groups in society feel toward that value system. Unlike Japanese society and most European societies, American society is characterized by a broad consensus on democratic, liberal, egalitarian values. The democratic surge of the 1960s shares many characteristics with the comparable egalitarian and reform movements of the Jacksonian and Progressive eras. To this extent, the causes of the democratic surge in the U.S. would be specific to the U.S. and limited in duration but potentially recurring at some point in the future.

JAPAN

Japanese democracy is not in serious crisis now and will not be in the near future. The future beyond the 1980s is as yet unclear, but the general opinion among Japanese "knowledgeables" is that democratic principles will be maintained and a "Japanese style" democracy developed.

The "governability" of Japanese democracy should be considered in relation to the tasks it faces and its capabilities for managing them. Externally, two persistent problems besetting Japan and imposing tasks on the Japanese leadership are 1) the resource vulnerability and dependency of the Japanese economy, and 2) the uncertain identification of Japanese elites and masses, torn between feeling part of Asia or feeling isolated in Asia and oriented toward North America and Western Europe. Although there are no impending military threats, there are uncertain military situations (e.g. in the Korean peninsula) which could impose serious strains on Japanese leaders.

Internally, the 1947 Constitution rests on very solid foundations and is a given in Japanese politics. Its legitimacy may be instrumental for the most part, but it continues to fit the Japanese situation well and no other system, traditional or otherwise, offers seriously competitive attractiveness. Continuing rule by the Liberal-Democratic Party (LDP) has been a prominent feature of postwar Japanese politics. Close coordination between the LDP, the elite corps of the bureaucracy, and economic elites has given the government a high capability for policy formation. An amazingly wide range of interests and groups do find a place in the loosely-structured LDP, but long-standing LDP rule nevertheless has meant that some groups have been systematically underrepresented and become alienated from government. The very looseness of the LDP makes it somewhat unpredictable, and its handling of political funds opens it to serious ethical attack. The quality of the Japanese bureaucracy is rather high, with its own *esprit de corps* and a strong technocratic element. Nevertheless, over the years the bureaucracy has become "too fused" with the LDP. Its elite recruitment methods will have to change with the flood of university graduates, and the practice of recruitment and promotion by ministry has created excessive bureaucratic sectionalism and clientism.

The mass media in Japan are on the whole a positive factor in the maintenance and operation of Japanese democracy. They generally exemplify a constructive "opposition spirit," critical of the government but within the bounds of "non-partisanship." Higher education is undergoing tremendous expansion, but so far without much impact on politics. This might change somewhat if the job market for graduates does not keep expanding rapidly enough.

The increasing financial cpaability of the Japanese government has been buttressed by rapid economic growth. We are now in a period of much greater economic uncertainty, but not yet unmanageability. Japanese unions have proven no hindrance to technological progress, in return for guaranteed retraining and jobs. Even under LDP rule, labor unions have had major inputs into government activity.

We find important value changes underway in Japanese society. Political beliefs are changing from submissiveness to authority to active protesting and demanding of participation, i.e., from "subject" political culture to "participatory" political culture. This is related to the decline of political parties and rise of various voluntary citizens' movements which prefer protest instead of institutionalized participation. If we think of "governability" in terms of a government's capacity to impose policies unilaterally, then it has decreased in Japan. But if these movements are respected and responded to, this could improve the governability of Japanese democracy in terms of responsiveness and equity.

The attitudes of Japanese about work and life values are changing, particularly in younger generations. So far, however, Japanese organizations have coped skillfully in maintaining a high level of motivation to work among employees. The critical point will come in the early 1980s when accumulated changes of work ethics, attitudes toward life, and those toward company and union will necessitate corresponding changes of hitherto established institutions and practices in labor relations.

Japanese democracy seems to be suffering less from societal and international changes than democracies in Western Europe or North America, helped no doubt by a large reservoir of traditional values. The influence of the LDP is declining, and it faces the possibility of losing a majority position in the Diet. Opposition parties are split, however. Any alternative coalition would not have as high policy-formation capabilities. It would certainly bring a weakening of the Japan-U.S. alliance.

Urban, educated voters are of increasing importance in the electorate. On the whole, they are "floating voters" with a non-partisan, non-extremist orientation. The Communist Party has been growing, but does not present a real threat. It seems to be approaching a ceiling of votes, at least for the 1970s. It has pursued "soft" domestic policies and rather nationalistic foreign policies independent of the Soviet Union and China.

CONCLUSIONS AND PRELIMINARY RECOMMENDATIONS

The quarter century following War War II was a success story of major proportions for democratic political systems in Trilateral societies. More recent years, however, have been ones of increased tension and uncertainty.

Disaffection with and lack of confidence in the functioning of the institutions of democratic government is widespread in Trilateral countries. No significant support has yet developed for an alternative image of political organization. But this is "consensus without purpose," without a sense of the purposes which inspired democracy or which should now guide our political development. The system becomes one of "anomic democracy," with politics more an arena for the assertion of conflicting interests than a process for building common purposes.

To some extent the problem may be seen in terms of changing environments. A "happy congruence of circumstances" for democracy -- economic growth, social assimilation, clear-cut international alignments and challenges -- has faded. Aside from these "environment" changes, however, many problems have arisen which seem an intrinsic part of democracy itself. The successful operation of democratic government serves to emphasize them. The pursuit of the democratic virtues of individualism and equality has brought a general "delegitimation" of authority. The democratic expansion of political participation has created an "overload" of demands of government. The political competition essential to democracy has intensified, bringing a disaggregation of interests and the decline and fragmentation of political parties. Responsiveness to domestic societal pressures has encouraged parochialism in international affairs.

At the moment, the democratic political systems of Europe are under more pressure than those of North America and Japan. Principal strains may indeed be receding in the United States, while cresting in Europe, and pending in the future for Japan (probably in the 1980s).

The task force recommends various "arenas for action" in strengthening our political systems and securing their democratic foundations. Overall, the United States and Western Europe need to restore a more equitable relationship between governmental authority and popular control, and Japan will probably face this necessity in the not-too-distant future.

1. Effective planning for economic and social development.

The historical record indicates that democracy works best -- indeed, that it may only work -- when there is a gradual but relatively constant increase in the economic well-being of society. The record of the recent past suggests that each additional increment of economic growth is distributed so as to provide more benefits to the poor than the previous increment. Continuing economic growth is thus essential for the achievement of socio-economic equity. Economic growth without inflation depends on effective democratic planning, which could be helpful in other areas of social life as well.

2. Strengthening the institutions of political leadership.

In the United States, the strengthening of leadership institutions requires action with respect to both the Congress and the President. The imperial Presidency is rapidly disappearing into history, and there is a need to insure that the pendulum does not swing too far in the other direction. A strong Presidency is essential to the effective conduct of foreign policy, the control of the bureaucracy, and the setting of overall goals and policies. Proposed legislative restrictions on presidential power should always be judged by the question: if the President does not exercise this power, who will?

In Japan, the Prime Minister's leadership has been restricted by the bureaucratic sectionalism of each Ministry. Serious consideration should be given to strengthening the Prime Minister's leadership through transfer of the Budget Bureau from the Ministry of Finance to the Prime Minister's Office or to the Cabinet Secretariat, the creation of positions for high level aides to the Prime Minister, and the reorganization and development of policy research and coordinating functions in the Cabinet Secretariat and Prime Minister's Office.

The European situation is extremely diverse and does not call for common or even convergent remedies. The French Presidency for the time being is extremely strong. If there is a problem there, it is to reintroduce democratic checks. The Italian government presents almost exactly the opposite picture. The main effort in Europe should be to reinsert democratic debate in administrative procedure and prevent the monopoly of expertise by the state bureaucracy. Parliaments should be given much more expertise, to be able to debate on an equal level with civil servants.

3. Reinvigoration of political parties.

Partisan allegiances, along with party conflicts, have historically been the bedrock of democracy. If political parties are to remain effective organizations for aggregating interests and developing political leaders, they will have to adapt themselves to the changed needs and interests of electorates in a "post-industrial" world.

The reinvigoration of political parties requires a diversification of the sources from which parties raise their funds. Political parties should not be dependent exclusively upon either individual members or organized interests or the state for the resources needed to perform their functions. They should be able to draw support from all three sources.

4. Restoring a balance between government and media.

Recent years have seen an immense growth in the scope and power of the media. In many countries the press has taken an increasingly critical role towards government and public officials. The press has become more

powerful and less responsible, and significant measures are required to restore an appropriate balance.

These recent changes in the press-government relationship are perhaps most clearly marked in the United States, where journalists must discipline themselves and develop and enforce their own standards of professionalism or in due course face the probability of regulation by the government.

5. Reexamination of the cost and the functions of higher education.

The 1960s saw a tremendous expansion in higher education throughout the Trilateral societies. In the United States, some retrenchment is already underway due to slower growth of enrollments and new ceilings on resources What is needed is to relate educational planning to economic and political goals. In Japan, because of rapid expansion of the tertiary service sector, there has not yet been a problem of unemployment of university graduates. Expansion of this sector is not unlimited, however, meaning that some retrenchment of higher education will be necessary in the future. European higher education, in contrast, needs consolidation and rejuvenation more than retrenchment. This most important value-producing system in society works either poorly or at cross-purposes with society.

6. A more active intervention in the area of work.

The area of content of work and work organization is a field where the deepest resentment and frustration have developed. This is, at the same time, an area where basic change is becoming possible. New thinking and experimentation has occurred, which should be widely encouraged. Governments should support the introduction of new schemes of work organization through both indirect and direct subsidies.

7. Creation of new institutions for the cooperative promotion of democracy.

We propose that the Trilateral Commission attempt to secure support and resources for the creation of an institute for the strengthening of democratic institutions. The purpose of such an institute would be to stimulate collaborative studies of common problems involved in the operations of democracy in the Trilateral societies, to promote cooperation among institutions and groups with common concerns in this area among the Trilateral regions, and to encourage the Trilateral societies to learn from each other's experience how to make democracy function more effectively in their societies. Such mutual learning experiences are familiar phenomena in the economic and military fields; they must also be encouraged in the political field.

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THE RAPPORTEURS

MICHEL CROZIER is the founder and director of the Centre de Sociologie des Organisations in Paris and Senior Research Director of the Centre Nationale de la Recherche Scientifique. Born in 1922 in northern France, Prof. Crozier received his higher education at the University of Paris. He has been a regular consultant to the French government on matters of economic planning, education, and public administration. He has lectured and taught at a number of North American universities, including three years at Harvard (1966-67, 1968-70) and two years at the Center for Advanced Study in the Behavioral Sciences at Stanford (1959-60, 1973-74). Among the books which Prof. Crozier has written are The Bureaucratic Phenomenon (1964) and The Stalled Society (1970). He was President of the French Sociological Association in 1970-72.

SAMUEL P. HUNTINGTON is Frank G. Thomson Professor of Government at Harvard University and Associate Director of Harvard's Center for International Affairs. He is also a founder and editor of the quarterly journal, Foreign Policy. Born in 1927 in New York City, Prof. Huntington was educated at Yale University (B.A., 1946), the University of Chicago (M.A., 1949), and Harvard (Ph.D., 1951). He taught at Harvard from 1950 to 1958, and then was Associate Director of the Institute of War and Peace Studies at Columbia University from 1959 to 1962, when he returned to Harvard. Prof. Huntington has been a consultant to the Policy Planning Council of the Department of State, the Agency for International Development, the Office of the Secretary of Defense, and other organizations. Among the books which he has written are Political Order in Changing Societies (1968) and The Common Defense: Strategic Programs in National Politics (1961). He is co-author with Zbigniew Brzezinski of Political Power: USA/USSR (1964).

JOJI WATANUKI is Professor of Sociology at Sophia University (Tokyo), where he is associated with the Institute of International Relations for Advanced Studies on Peace and Development in Asia. Born in 1931, in Los Angeles, Professor Watanuki received his undergraduate and graduate education at the University of Tokyo. He taught in the Department of Sociology of the University of Tokyo from 1960 to 1971, when he joined the Sophia University faculty. Prof. Watanuki has spent a number of years teaching and doing research in universities in the United States. He was at Princeton University in 1962-63 (Rockefeller Foundation Fellow and Visiting Fellow) and at the University of California at Berkeley in 1963-64 (Research Associate at Institute of International Studies). He was a Visiting Professor in the Department of Political Science at the University of Iowa in 1969-70, and a Senior Scholar in the Communication Institute of the East-West Center in Honolulu in 1973. Prof. Watanuki has authored numerous articles and books. Among the latter are Gendai Seiji to Shakai Hendo (Contemporary Politics and Social Change), published in 1962, and Nihon no Seiji Shakai (Japanese Political Society), published in 1967.

THE TRILATERAL PROCESS

The report which follows is the joint responsibility of the three rapporteurs of the Trilateral Task Force on the Governability of Democracies. The chapter on Japan is the work of Joji Watanuki. The chapter on Western Europe is the work of Michel Crozier. The chapter on the United States is the work of Samuel P. Huntington.

Although only the three rapporteurs are responsible for the analysis and conclusions, they were aided in their task by extensive consultations with experts from the trilateral regions. In each case, the consultants spoke for themselves as individuals and not as representatives of any institution with which they are associated. Those consulted included the following:

Robert R. Bowie, Professor of International Affairs, Harvard University

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SCHEDULE OF TASK FORCE ACTIVITIES:

April 20-21, 1974 -- Rapporteurs and Brzezinski meet in Palo Alto, California, to develop general outline of report.

November 11-12 -- Rapporteurs and Brzezinski meet in London to consider first drafts of regional chapters and establish more precise outline of study.

February 22-23, 1975 -- Rapporteurs meet with experts from Trilateral regions in New York City, consider second drafts of regional chapters and draft of Introduction.

March-early May -- Kyoto draft completed, including preliminary recommendations.

CHAPTER I

INTRODUCTION

I. The Current Pessimism About Democracy

For almost a quarter century the Trilateral countries have shared a tripartite interest in military security, economic development, and political democracy. They have coordinated their efforts to provide for their common defense. They have cooperated together in the tasks of economic reconstruction, industrial development, and the promotion of trade, investment, and welfare within a framework of common international economic institutions and have brought middle class status to a growing majority of their peoples. In somewhat parallel fashion, they have, also, each in its own ways, developed and consolidated their own particular forms of political democracy involving universal suffrage, regular elections, party competition, freedom of speech and assembly. After twenty-five years, it is not surprising that earlier assumptions and policies relating to military security need to be reviewed and altered in the light of the changed circumstances. Nor is it surprising that the policies and institutions of the postwar economic system bassed on the preeminence of the dollar are in need of a drastic overhaul. Governments, after all, have traditionally existed to deal with problems of security and economics, and to adapt, individually and collectively, their policies in these areas to changing environments.

What is much more disturbing because it is much more surprising is the extent to which it appears that the process of reconsideration must extend not only to these familiar arenas of governmental policy but also to the basic institutional framework through which governments govern. What is in doubt today are not just the economic and military policies inherited from the past but also the political institutions inherited from

the past. Is political democracy, as it exists today, a viable form of government for the industrialized countries of Europe, North America, and Asia? Can these countries continue to function during the final quarter of the twentieth century with the forms of political democracy which they evolved during the third quarter of that century?

In recent years, acute observers on all three continents have seen a bleak future for democratic government. Before leaving office, Willy Brandt reportedly suggested that "western Europe has only 20 or 30 more years of democracy left in it; after that it will slide, engineless and rudderless, under the surrounding sea of dictatorship, and whether the dictation comes from a politburo or a junta will not make that much difference." If Britain continues to be unable to resolve the seemingly unresolvable problems of inflation-cum-prospective depression, observed one senior British official, "parliamantary democracy would ultimately be replaced by a dictatorship." "Japanese democracy will collapse," warned Takeo Miki in his first days in office, unless major reforms can be carried out and "the people's confidence in politics" be restored.(1) The image which recurs in these and other statements is one of the disintegration of civil order, the breakdown of social discipline, the corruption of leaders, and the alienation of citizens. Even what have been thought to be the most "civic" of industrialized societies, have been held to be prey to these disabilities, as observers speak of the "Vietnamization" of America and the "Italianization" of Britain.

This pessimism about the future of democracy has coincided with a parallel pessimism about the future of economic conditions. Economists have rediscovered the fifty-year Kondratieff cycle, according to which 1971 (like

1921) should have marked the beginning of a sustained economic downturn from which the industrialized capitalist world would not emerge until close to the end of the century. The implication is that just as the political developments of the 1920s and 1930s furnished the ironic--and tragic--aftermath to a war fought to make the world safe for democracy, so also the 1970s and 1980s might furnish a similarly ironic political aftermath to twenty years of sustained economic development designed in part to make the world prosperous enough for democracy.

Social thought in Western Europe and North America tends to go through Pollyana and Cassandra phases. The prevalence of pessimism today does not mean that this pessimism necessarily is well-founded. That such pessimism has not been well-founded in the past also does not mean that it is necessarily ill-founded at present. A principal purpose of this report is to identify and to analyze the challenges confronting democratic government in today's world, to ascertain the bases for optimism or pessimism about the future of democracy, and to suggest whatever innovations may seem appropriate to make democracy more viable in the future.

II. The Challenges Confronting Democratic Government

The current pessimism seems to stem from the conjunction of three types of challenges to democratic government.

First, contextual challenges arise autonomously from the external environments in which democracies operate and are not directly a product of the functioning of democratic government itself. The Czech government, for instance, is less democratic today than it might otherwise be not because of anything over which it had any control. A severe reversal in foreign relations, such as either a military disaster or diplomatic humiliation, is likely to pose a challenge

to regime stability. Defeat in war is usually fatal to any system of government, including a democratic one. (Conversely, the number of regimes in complex societies which have been overthrown in circumstances not involving foreign defeat is extremely small: all regimes, including democratic ones, benefit from a Law of Political Intertia which tends to keep them functioning until some external force interposes itself. So also, worldwide depression or inflation may be caused by factors which are external to any particular society and which are not caused directly by the operation of democratic government, and yet they may present serious problems to the functioning of democracy. The nature and seriousness of the contextual challenges may vary significantly from one country to another, reflecting differences in size, history, location, culture, and level of development. In combination, these factors may produce few contextual challenges to democracy, as was generally the case, for instance, in nineteenth century America, or they may create an environment which makes the operation of democracy extremely difficult, as for instance in Weimar Germany.

Changes in the international distribution of economic, political, and military power and in the relations among the Trilateral societies and between them and the Second and Third Worlds now confront the democratic societies with a set of interrelated contextual challenges which did not exist in the same way a decade ago. The problems of inflation, commodity shortages, international monetary stability, the management of economic interdependence and collective military security affect all the Trilateral societies. They constitute the critical policy issues on the agenda for collective action.[2] At the same time, however, particular issues pose

special problems for particular countries. With the most active foreign policy of any democratic country, the United States is far more vulnerable to defeats in that area than other democratic governments, which attempting less also risk less. Given the relative decline in its military, economic, and political influence, the United States is more likely to face serious military or diplomatic reversal during the coming years than at any previous time in its history. If this does occur, it could pose a traumatic shock to American democracy. The United States is, on the other hand, reasonably well equipped to deal with many economic problems which would constitute serious threats to a resource-short and trade-dependent country like Japan.

These contextual challenges would pose major issues of policy and institutional innovation under the best of circumstances. They arise, however, at a time when democratic governments are also confronted with other serious problems stemming from the social evolution and political dynamics of their own societies. The viability of democracy in a country clearly is related to the social structure and social trends in that country. A social structure in which wealth and learning were concentrated in the hands of a very few would not be conducive to democracy; nor would a society deeply divided between two polarized ethnic or regional groups. In the history of the West, industrialization and democratization moved ahead in somewhat parallel courses, although in Germany democratization lagged behind industrialization. Outside the West, in Japan the lag also was considerable. In general, however, the development of cities and the emergence of the bourgeoisie diversified the sources of power, led to the assertion of personal and property rights against the state, and helped to make government more representative of the principal groups in society. The power of traditional aristocratic groups hostile to democracy

tended to decline. Subsequently, democratic trends were challenged, in some cases successfully, by the rise of fascist movements appealing to the economic insecurities and nationalistic impulses of lower middle-class groups, supported by the remaining traditional authoritarian structure. Japan also suffered from a reactionary military establishment, against which the bourgeoisie found themselves too weak to struggle and to be able to co-exist. In addition, in many countries, communist parties developed substantial strength among the working-class, advocating the overthrow of "bourgeois democracy" in the name of revolutionary socialism. The political and organizational legacy of this phase still exists in France and Italy, although it is by no means as clear as it once was that communist participation in the government of either country would necessarily be the prelude to the death of democracy in that country. Thus, at one time or another, threats to the viability of democratic government have come from the aristocracy, the military, the middle-classes, and the working class. Presumably as social evolution occurs, additional threats may well arise from other points in the social structure.

At the present time, a significant challenge comes from the intellectuals and related groups who assert their disgust with the corruption, materialism, and inefficiency of democracy and with the subservience of democratic government to "monopoly capitalism." The development of an "adversary culture" among intellectuals has affected students, scholars, and the media. Intellectuals are, as Schumpeter put it, "people who wield the power of the spoken and the written word, and one of the touches that distinguish them from other people who do the same is the absence of direct responsibility for practical affairs."(2) In some measure, the advanced industrial societies have spawned a stratum of

value-oriented intellectuals who often devote themselves to the derogation of leadership, the challenging of authority, the unmasking and delegitimation of established institutions, their behavior contrasting with that of the also increasing numbers of technocratic and policy-oriented intellectuals. In an age of widespread secondary school and university education, the pervasiveness of the mass media, and the displacement of manual labor by clerical and professional employees, this development constitutes a challenge to democratic government which is, potentially at least, at least as serious as those posed in the past by the aristocratic cliques, fascist movements, and communist parties.

In addition to the emergence of the adversary intellectuals and their culture, a parallel and possible related trend affecting the viability of democracy concerns broader changes in social values. In all three Trilateral regions, a shift in values is taking place away from the materialistic work-oriented, public-spirited values towards those which stress private satisfaction, leisure, and the need for "belonging and intellectual and esthetic self-fulfillment."(4) These values are, of course, most notable in the younger generation. They often coexist with greater scepticism towards political leaders and institutions and with greater alienation from the political processes. They tend to be privatistic in their impact and import. The rise of this syndrome of values is presumably related to the relative affluence in which most groups in the Trilateral societies came to share during the economic expansion of the 1960s. The new values may not survive recession and resource shortages. But if they do, they pose an additional new problem for democratic government in terms of its ability to mobilize its citizens for the achievement of social and political goals and to impose

discipline and sacrifice upon its citizens in order to achieve those goals.

Finally, and perhaps most seriously, there are the intrinsic challenges to the viability of democratic government which grow directly out of the functioning of democracy. Democratic government does not necessarily function in a self-sustaining or self-correcting equilibrium fashion. It may instead function so as to give rise to forces and tendencies which, if unchecked by some outside agency, will eventually lead to the undermining of democracy. This was, of course, a central theme in de Tocqueville's forebodings about democracy; it reappeared in the writings of Schumpeter and Lippmann; it is a key element in the current pessimism about the future of democracy.

The contextual challenges differ, as we have seen, for each society. Variations in the nature of the particular democratic institutions and processes in each society may also make some types of intrinsic challenges more prominent in one society than in another. But, overall, the intrinsic threats are general ones which are in some degree common to the operation of all democratic systems. The more democratic a system is, indeed, the more likely it is to be endangered by intrinsic threats. Intrinsic challenges are, in this sense, more serious than extrinsic ones. Democracies may be able to avoid, moderate, or learn to live with contextual challenges to their viability. there is deeper reason for pessimism if the threats to democracy arise ineluctably from the inherent workings of the democratic process itself. Yet, in recent years, the operations of the democratic process do indeed appear to have generated a breakdown of traditional means of social control, a delegitimation of political and other forms of authority, and an "overload" of demands on government, exceeding its capacity to respond.

The current pessimism about the viability of democratic government stems

in large part from the extent to which contextual threats, societal trends, and intrinsic challenges have simultaneously manifested themselves in recent years. A democratic system which was not wracked by intrinsic weaknesses stemming from its own performance as a democracy could much more easily deal with contextual policy challenges. A system which did not have such significant demands imposed upon it by its external environment might be able to correct the deficiencies which arose out of its own operations. It is, however, the conjunction of the policy problems arising from the contextual challenges, the decay in the social base of democracy manifested in the rise of oppositionist intellectuals and privatistic youth, and the imbalances stemming from the actual operations of democracy itself which make the governability of democracy a vital and, indeed, an urgent issue for the Trilateral societies.

This combination of challenges seems to create a situation in which the needs for longer-term and more broadly formulated purposes and priorities, for a greater overall coherence of policy, appear at the same time that the increasing complexity of the social order, increasing political pressures on government, and decreasing legitimacy of government make it more and more difficult for government to achieve these goals unless the legitimacy of government is correspondingly increased. The demands on democratic government grow, while the capacity of democratic government stagnates. This, it would appear, is the central dilemma of the governability of democracy which has manifested itself in Europe, North America, and Japan in the 1970s.

FOOTNOTES

(1) See New York Times, October 7, 1974; The Economist, March 23, 1974, p. 12; Geoffrey Barraclough, "The End of an Era," New York Review of Books, June 27, 1974, p. 14.

(2) Many of these issues have been dealt with in the reports of other Trilateral Commission task forces. See particularly Triangle Papers Nos. 1-7, embodying reports on the world monetary system, international cooperation, North-South economic relations, world trade, and energy.

(3) Joseph A. Schumpeter, Capitalism, Socialism, and Democracy (New York: Harper & Bros., 2d edition, 1947), p. 147.

(4) See Ronald Inglehart, "The Silent Revolution in Europe: Intergenerational Change in Postindustrial Societies," American Political Science Review, 65 (December 1971), pp. 991ff.

CHAPTER II - EUROPE
by Michel Crozier

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I. Are European Democracies Becoming Non-Governable?

The vague and persistent feeling that democracies have become non-governable has been growing steadily in Western Europe. The case of Great Britain has become the most dramatic example of this malaise, not because it is the worst but because the U.K., which had escaped all the vagaries of continental politics, had always been considered everywhere as the mother and the model of democratic processes. Its contemporary troubles seem to announce the collapse of these democratic processes or at least their incapacity to answer the challenges of modern times.

Certainly appearances remain safe in most West European countries but almost everywhere governing coalitions are weak and vulnerable while alternative coalitions seem to be as weak and eventually more contradictory. At the same time decisions have to be taken whose consequences may be far-reaching while the governing processes because of the conjunction of contradictory pressures seem to be capable of producing only erratic results.

These difficulties are compounded because of the existence of Europe as a problem. The whirlpool of each national governing system has more and more restrained the margin of freedom on which European progress can be built. The European bureaucracy, which had been for a time a useful protective device for making rational solutions more acceptable, has now

lost its role. Contradictions at the governing level therefore tend to grow while governments are forced to be much more nation-centered and much less reliable.

Each country of course is substantially different, the first main characteristic of Western Europe remaining its diversity. But across the widely different practices and rationalizations, two very basic characteristics seem to hold true as regards this basic problem of governability:

- The European political systems are overloaded with participants and demands, and they have increasing difficulty in mastering the very complexity which is the natural result of their economic growth and political development.

- The bureaucratic cohesiveness they have to sustain to maintain their capacity to decide and implement tends to foster irresponsibility and the breakdown of consensus, which increase in turn the difficulty of their task.

1. The overload of the decision-making system

Democracies' superiority has often been ascribed to their basic openness. Open systems, however, give better returns only under certain conditions. They are threatened by entropy if they cannot maintain or develop proper regulations. European democracies have been only partially and sometimes theoretically open. Their regulations were built on a subtle screening of participants and demands; and if we can talk of overload, notwithstanding the progress made in handling complexity, it is because this traditional model of screening and government by distance has gradually broken down to the point that the necessary regulations have all but disappeared.

There are a number of interrelated reasons for this situation. First of all, social and economic developments have made it possible for a great many more groups and interests to coalesce. Second, the information explosion has made it difficult if not impossible to maintain the traditional distance that was deemed necessary to govern. Third, the democratic ethos makes it difficult to prevent access and restrict information while the persistence of the bureaucratic processes, which had been associated with the traditional governing systems, makes it impossible to handle them at a low enough level. Because of the instant information model and because of this lack of self-regulating subsystems any kind of minor conflict becomes a governmental problem.

These convergences and contradictions have given rise to a growing paradox. While it has been traditionally believed that the power of the state depended on the number of decisions it could take, the more decisions the modern state has to handle, the more helpless it becomes. Decisions do not bring power only; they bring also vulnerability. The modern European state's basic weakness is its liability to blackmailing tactics.

Another series of factors tending to overload all industrial or post-industrial social systems develops from the natural complexity which is the result of organizational growth, systemic interdependence and the shrinking of a world where fewer and fewer consequences can be dumped as acceptable externalities.

European societies not only do not escape this general trend, but they do not face it with the necessary increase of governing capacities. Politicians and administrators have found it easier and more expedient to give

up to complexity. They tend to accommodate to it and even to use it as a useful smoke screen. One can give access to more groups and more demands without having to say no and one can maintain and expand one's own freedom of action or in more unpleasant terms one's own irresponsibility. (1)

Beyond a certain degree of complexity, however, nobody can control the outcomes of one system; government credibility declines; decisions come from nowhere; citizens' alienation develops and irresponsible blackmail increases thus feeding back in the circle. One might argue that the Lindblom model of partisan mutual adjustment would give a natural order to this chaotic bargaining, but this does not seem to be the case because the fields are at the same time poorly structured and not regulated. (2)

One might also wonder why European nations should suffer more complexity and more overload than the U.S., which seems quite obviously a more complex system open to more participants. But overload and complexity are only relative to the capacity to handle them and the present weakness of the European nations comes from the fact that their capacity in this respect is very much lower especially since their tradition did not enable them to build decision-making systems on these premises.

This judgment about the European nation-states' decision-making capabilities may be surprising since European countries like the U.K. and France pride themselves in having the best possible elite corps of professional decision-makers, in many ways better trained or at least better selected than their American counterparts.

The seeming paradox can be understood if one accepts the idea that decision-making is not done only by top civil servants and politicians but

is the product of bureaucratic processes taking place in complex organizations and systems. If these processes are routine-oriented, cumbersome, and these organizations and systems overly rigid, communications will be difficult, no regulation will prevent blackmail, and poor structure will increase the overload.

Modern decision-making techniques for all their sophistication do not seem to have helped very much yet because the problem is political or systemic and not a technical one.

One of the best examples of their failure has been shown in a recent comparative study of the way two similar decisions were made in Paris in the 1890's and the 1960's: the decision to build the first Parisian subway and the decision to build the new regional express transit system. This comparison shows a dramatic decline in the capacity to take rational decisions between the two periods. The 1890's decision gave rise to a very difficult but lively political debate and was a slow decision-making sequence but it was arrived at on sound premises financially, economically, and socially. The 1960's decision was made in semi-secret, without open political debate, but with a tremendous amount of lobbying and intra-bureaucratic conflict. Its results, when one analyzes the outcomes, were strikingly poorer in terms of social, economic and financial returns. It seems that the elite professional decision-makers backed up with sophisticated tools could not do as well as their less brilliant predecessors while the level of technicality of the decision was comparatively certainly not higher. The only striking difference is the tremendous increase in the

level of complexity of the system and its dramatic overload due to its confusing centralization.(3)

It is true that there are many differences among the European countries in this respect and one should not talk too hastily of common European conditions. There is quite a strong contrast, for example, between a country like Sweden, which has deveoped an impressive capability for handling complex problems by relieving ministerial staffs from the burden of administrative and technical decisions and by allocating considerable decision-making powers to strengthened local authorities, and a country like Italy, where a very weak bureaucracy and an unstable political system cannot take decisions and cannot facilitate the achievement of any kind of adjustment. Nevertheless, one must note that the majority of European countries is somewhat closer to the Italian model and that Sweden seems to be for the moment a striking exception. This exception does not seem to be due to the size or type of problems since small countries like Belgium or even the Netherlands and Denmark are also victims of overload and complexity due to the rigidity and complexity of group allegiances and to the fragmentation of the polity.

2. Bureaucratic weight and civic irresponsibility

The governability of West European nations is hampered by another set of related problems which revolve around the general emphasis on bureaucratic rule, the lack of civic responsibility, and the breakdown of consensus.

A basic problem is developing everywhere: the opposition between the decision-making game and the implementation game. Completely different

rationales are at work at one level and at the other. What is necessary to arrive at a decision, the capacity to master a successful coalition for a final and finite agreement, is a function of the nature and the rules of the game of which the decision is one outcome; since the same participants are playing the same game for quite a number of other crucial decisions, the nature of their game, the members' resources and the power relationships between them may have as much predictive validity as the substance of the problem and its possible rational solution. On the implementation side, however, completely different actors appear whose reference has nothing to do with the national bargaining and whose game is heavily influenced by the power structure and by the modes of relationship of the bureaucracy on one side, and the politico-administrative system in which the decision is to be implemented on the other. It is quite frequent that the two games work differently and may even be completely at odds. A gap can therefore exist between the rationality of the decision-makers and the outcomes of their activity, which means that collective regulation of human activities in a complex system is basically frustrating.

Such a mechanism is reproduced and exemplified at the upper political level where all modern democratic systems suffer from a general separation between an electoral coalition and the governmental set-up. A completely different set of alliances is necessary to get an electoral majority and to face the problems of government.

One can find these problems in the U.S. and Japan, but they are especially acute in West European countries because of the fragmentation of the social systems, the great difficulties of communication and the barriers

between different subsystems which tend to close up and operate in isolation.

Two different models, however, are predominant. One, which has the worst consequences on governability, is the bureaucratic model associated with a lack of consensus. This is the model exemplified especially by countries like France and Italy where a very sizable part of the electorate will always vote for extremist parties of the left and to some extent of the right that do not accept the minimum requirements of the democratic system. In these countries social control is imposed on the citizens by a state apparatus which is strongly isolated from the population. Politico-administrative regulations work according to a basic vicious circle: bureaucratic rule divorced from the political rhetoric and from the needs of the citizens fosters among them alienation and irresponsibility which are the necessary context for the breakdown of consensus that has developed. Lack of consensus in its turn makes it indispensable to resort to bureaucratic rule since one cannot take the risk of involving citizens who do not accept minimum rules of the game.

Generally, when social control has been traditionally achieved by strong bureaucratic pressure, democratic consensus has not developed fully and consensual breakdowns are endemic possibilities. All European countries retain some of these mechanisms. However, an alternative model is exemplified in the countries of North Western Europe where a broad consensus has been achieved early enough and has been constantly reinforced, thus preventing the state bureaucracy from dominating too exclusively. Sweden with its strong local decision-making system, with its consensual labor

management bargaining system, and with its ombudsmen grievances procedure against the bureaucracy is the best achievement of such a model.

Nevertheless, a general drift towards alienation, irresponsibility, and breakdown of consensus exists also in these countries, even Sweden. With the passing of time, group bargaining has become more and more routinized, i.e., more and more bureaucratic, and workers if not citizens have tended also to feel alienated as in revolutionary Europe.

In many of these countries like Denmark, the Netherlands, and the U.K., the social democratic consensus is breaking down while the relationships between groups have become so complex and erratic that citizens are more and more frustrated. Politics become divorced from the citizens' feelings and even also from reality. Vicious circles therefore tend to develop which bring these countries much closer than they ever were to the countries of continental Europe. Even Sweden has been influenced, at least on the labor relations side. (4)

3. The European dimension

All these problems are certainly multiplied by the new dimension of international problems which has made the European national state a somewhat obsolete entity. One could very well conceive obviously a Federal European system which could rely on strong decentralized local and regional decision-making systems reducing thus the overload of the top, the bureaucratic nature of the intermediary processes, and citizens' alienation. But the present and past efforts at unification have tended to reinforce the nation-state bureaucratic apparatuses as if against this possible challenge these traditional nervous centers of European affairs could not help but harden again.

In this respect Western Europe faces one of its most impossible dilemmas. Its problems are more and more European in nature but its capacity to face them relies on institutional instruments of a national and a bureaucratic nature that are more and more inadequate but that tend at the same time to harden their hold on the system.

Personalization of power in Western Europe also has been used in national and international affairs to fight the bureaucratic entanglements and to foster citizens' identification when participation could not work. Its results, however, are always disappointing. Leaders become prisoners of their image and too vulnerable to act. They become public relations figures, thus creating a credibility gap and broadening the misunderstanding between citizens and their decision-making system.

One should not of course overemphasize this general drift towards irresponsibility and impotence of the European states and of Europe. Problems are threatening, the capacity to handle them seems to have diminished, but there are still many areas where most government performances are satisfactory compared with those of past governments and with those of the other Trilateral areas without mentioning the rest of the world. European societies are still very civilized societies where the citizen is well protected and whose amenities and possibilities of enjoyment have not only been maintained but extended to a great many more people. They still suffer less from social disruption and criminality than the U.S.

There are growing areas, nevertheless, where governments' capacity to act and to meet the challenge of citizens' demands has been drastically impaired. This is almost everywhere the case for secondary education and

for the universities. This is frequently the case for metropolitican government, land use and urban renewal. This is becoming prevalent in more countries for bargaining between groups, income redistribution, and the handling of inflation.

II. Social, Economic and Cultural Causes

In order to understand better these general features of the socio-political systems of Western Europe, and to be able to suggest general orientations for the discussion of possible change, we should first try to concentrate on the social, economic and cultural causes of the present crises.

Causes and consequences, however, are basically interrelated and it is impossible to disentangle them. We will therefore try to focus successively on some of the major problem areas which can be used for a better understanding of the present situation.

First of all, we will try to assess the general socio-economic context which can be characterized sociologically by the explosion of social interaction and economically by the disruptive effect of continuous growth.

We will then try to analyze the general collapse of traditional institutions which may be the immediate background of the crisis. We will then move on to the problem of the cultural institutions, focusing especially on the intellectuals, education, and the media, and will end up by reviewing a last circumstancial point which has had an accelerating impact, the problem of inflation.

1. The increase of social interaction

In every developed country man has become much more a social animal than before. This may be quite obvious but one should not forget it:

there has been an explosion of human interaction and correlatively a tremendous increase of social pressure. The social texture of human life has become and is becoming more and more complex and its management more difficult. Dispersion, fragmentation, simple ranking have been replaced by concentration, interdependence, complex texture. Organized systems have become tremendously more complex and they tend to prevail in a much more composite and complex social system over the more simple forms of yesterday.

Because of the basic importance of this complex social texture, its management has a crucial importance which raises the problem of social control over the individual.

Europe has a very special situation in this respect. It has a long record of traditional social control imposed upon the individual by collective authorities, especially the state, and by hierarchical religious institutions. Certainly these authorities and institutions had been liberalized over the centuries since the time of absolutism. Nevertheless, a great deal of association between social control and hierarchical values still persists, which means that a basic contradiction tends to reappear. Citizens have non-compatible claims. Because they press for more action to meet the problems they have to face, they require more social control. But at the same time they resist any kind of social control that is associated with the hierarchical values they have learned to discard and reject.

This problem may be general but it is exacerbated in Europe where social discipline is not worshipped as it is still in Japan and where more indirect forms of social control have not developed as in North America,

whose first pioneers had come largely to escape the heavy hand of the authoritarian hierarchy prevailing in their mother countries.

European countries therefore have more difficult problems to overcome to go beyond a certain level of complexity in their politico-administrative, social and even economic systems.

This may differ according to the country, each one having maintained a very distinctive collective system of social control. But each one of these systems appears now to be insufficient to answer the problems of the time. This is as true for the U.K., which was considered to have mastered forever the art of government, as it is for Italy, which could have been used for a while as the example of stable "non-government." This is true also for the more apparently solid countries, like France, whose centralized apparatus seems less and less adequate to manage modern complex systems and becomes therefore more vulnerable. Germany to some extent benefits from the deep trauma of nazism, which has forced more basic change in the management of her social texture, but it is nevertheless under the same kind of strains.

2. The impact of economic growth

The impact of economic growth can be better understood in view of these basic strains. It had been generally understood in the fifties and early sixties that economic growth was the necessary and unique problem of European nations. If only their GNP could progress long enough, most of their troubles as divided non-consensual polities would gradually disappear. This was so overwhelmingly understood that for a long time the official line of

the communist parties was to deny the reality of the material progress of the working class and to argue that capitalist development had brought not only a realtive but an absolute decline of workers' income.

Facts had to be accepted finally: that is, the tremendous economic gains made during the past 20 years by all groups and especially the workers; but their consequences were to be the opposite of what had been expected. Instead of appeasing tensions, material progress seems to have exacerbated them.

Three main factors seem necessary to account for this paradox. First of all, as it happens everywhere, change produces rising expectations which cannot be met by its necessarily limited outcomes. Once people know that things can change, they cannot accept easily anymore the basic features of their condition that were once taken for granted. Europe has been especially vulnerable since its unprecedented economic boom had succeeded a long period of stagnation with pent-up feelings of frustration. Moreover, its citizens had been more sophisticated politically and especially vulnerable to invidious comparisons from category to category.

A second, more specific, factor has to be taken into consideration: the peculiar role played by ideology in European working-class politics. At a simple level it seemed rather obvious that the European revolutionary non-consensual ideologies of working class parties and trade unions were associated with the economic and cultural lag that did not allow the working people a fair share in society's benefits. But ideology is only partially a consequence of frustration; it is also a weapon for action. And in the European context, it has remained the most effective available

instrument for mobilization. As a consequence, when ideology declines the capacity of the unions to achieve results also declines. Or in a more subtle way the processes of orderly collective bargaining, even when they bring results, tend to be also so complex and bureaucratic that they produce disaffection. Rank and file workers do not recognize themselves in such a bureaucratic process and they tend to drift away, which means that the more trade unions and working class parties accept regular procedures, the weaker they become as regards their capacity to mobilize their followers and to put a real pressure on the system. This is why they have to rediscover radicalism. This is of course much more true for the Latin countries, which had never before achieved a satisfactory bargaining system, but contrary to all earlier predictions and radical drift has been also very strong in North West Europe. Generally one can contend that if workers in a certain way have become much better integrated in the global social system, they nevertheless remain basically frustrated with the forms of bargaining processes which do not allow them much participation and that some sort of radical ideology seems absolutely necessary to enable them to commit themselves to the social game. Therefore, it is understandable that to the extent that more progress and change have brought problems, they have had to come back to their more traditional forms of political mobilization. This is especially strong in many countries where it can be argued that working groups have not benefited practically from prosperity as well as they should or could have. Conversely, those countries where blue collar workers' progress has been comparatively the greatest and the steadiest, such as Germany, are also those whose resistance at the same time to inflation and to the ideological drift is the strongest.

A third factor may be even more fundamental. This is the very disruptive consequence of accelerated change. True enough, change brings more material results and people have been able to recognize and appreciate their gains although they might have denied them for a long time. But it is extremely costly in terms of disruption. It can never be a harmonious process. It means that branches and enterprises decline and even disappear while others undergo a tremendous growth. It forces people to be mobile geographically and occupationally. This can be accounted for in terms of psychological costs. People have had to face a new form of uncertainty, have been forced to compare their fates more to the fates of other groups. Tensions therefore were bound to increase.

Moreover, these processes have had a direct and profound impact on the modes of social control operating in society. And this is where Europe has been much more vulnerable than either the U.S. or Japan. In a society where social control had traditionally relied on fragmentation, stratification and social barriers to communication, the disruptive effect of change which tends to destroy these same barriers while forcing people to communicate, makes it more and more difficult to govern.

This problem has never been so acute in North America, which has always been on the whole a much more open society; and it is still not yet as developed in Japan, which has been able up to now to maintain its forms of social control while undergoing even more economic change.

Wide differences of course persist between the very diverse European nations. I would argue that Italy and to some extent France have been more directly perturbed since they had remained more hierarchical in their social texture. (5)

But everywhere the individual has lost a great deal of his traditional frame of reference and has not found a substitute as regards his relationship with the collectivity. Everywhere anomy has increased at least for young people; groups are more volatile and social control much weaker.

At the same time, the direct effect of economic and geographical disruptions requires proper handling, the imposition of collective disciplines which these disruptions make it impossible to generate. (6)

A no growth economy is of course no solution as the case of the U.K. has clearly shown. No country can isolate itself from general change. English society may have suffered less disruption than continental countries but it is now, in counterpart, the victim of its poor economic performances. English people may still be individually less tense than people on the continent, but they are becoming collectively demoralized. Egalitarianism and mass participation pressures have increased as they did elsewhere and the gap between promises and expectations has widened even more, which has led to repeated and frustrating clashes between the bureaucracy and various sectors of the general public, poorer and poorer government performances and widespread feelings of political alienation.

3. The collapse of traditional institutions

The contradiction over social control has been amplified by the near collapse of the traditional authority structure which was buttressing the social control processes. This collapse is partly due to the disruptive effect of change, but it can also be viewed as the logical outcome of a general evolution of the relationship of man to society.

Everywhere in the West the freedom of choice of the individual has been increased tremendously. With the crumbling of old barriers everything seems to be possible. Not only can people choose their jobs, their friends, their mates, without being constrained by earlier conventions, but they can drop these relationships more easily and these relationships have changed nature. People whose range of opportunities is greater and whose freedom of change also is greater can be much more demanding and cannot accept being bound by lifelong relationships. This is of course much more true for young people. But it has been compounded by the development of sexual freedom and by the questioning of woman's place in society.

In such a context traditional authority had to be put into question. Not only did it run counter to the tremendous new wave of individual assertion, but at the same time it was losing the capacity which it had maintained for a long overdue time to control people who had no alternatives.

The late sixties have been a major turning point in this respect. The amount of underlying change was dramatically revealed in the political turmoil of the period which forced a sort of moral showdown over a certain form of traditional authority. Its importance has been mistaken inasmuch as the revolt seemed to be aiming at political goals. What was at stake appears now to be moral much more than political authority -- churches, schools, and cultural organizations more than political and even economic institutions.

In the short space of a few years, churches seem to have been the most deeply upset. In most of Europe, a basic shift was accelerated which deprived

them of their political and even moral authority over their flock and within society at large. The Catholic Church has been hit the hardest because it had remained more authoritarian and effective. But the wave has been a general one. It has to be observed that religious feelings and religious needs hold on. They may even have been reactivated by the anxieties of our time; opinion polls show their persistence. Eventually churches will be able to use them to regain some of the lost ground. But in order to succeed they will have to open up and abandon what remains of their traditional principles.

This has been achieved already since it can be argued that at a deep level the authoritarian pattern has just vanished. At a more obvious level the crisis is much more apparent within the hierarchy than among the laity. Priests are leaving the churches at an increasing rate; they cannot be replaced and those who stay do not accept the bureaucratic authority of their superiors and the constraints of the dogma as obediently as before. They are in a position to exact a much better deal, and they get it. Conversely, they feel less capable of exerting the traditional moral authority they maintained over laymen. It may be exaggerated to pretend that the age-old system of moral obligations and guidance that constituted the church has crumbled; it is still well alive, but it has changed more in the last decade than during the last two centuries. Around this change, the new effervescence which has developed may be analyzed as a proof of vitality. New rationales may emerge around which the system will stabilize. But it seems clear enough already that the traditional model that had been for so

long one of the main ideological strongholds of European societal structure has disintegrated. This is certainly a major change for European societies since such a model provided a basic pattern for the social order and was used directly and indirectly as a last recourse for buttressing social control. This had been true even in the so-called "laicist" countries like France where the Catholic Church was supposed to have only a minority influence. And the impact of this basic shift of values will be quite general. The non-religious milieux, which had maintained similar models of social control despite their opposition to the Catholic principles, will not be able to resist change better even if at first glance they seem less directly affected.

Education as a moral establishment is partaking of the same problem and may be the first example of this corresponding similarity between opposing traditions. Whatever philosophical influences were exerted over it, education is in trouble all over Western Europe. It has lost its former "sacred" authority. Teachers cannot believe anymore in their "sacred" mission and their students do not accept their authority as easily as they did before. Along with the religious rationale for the social order, educational authority does not hold true anymore. Knowledge is widely shared. Teachers have lost their prestige within society, and the closed hierarchical relations that made them powerful figures in the class room have become unbearable.

Routine makes it possible for the system to work and the sheer necessity and weight of its functions will maintain it in operation. But the malaise is deep. The dogmatic structure disintegrates; no one knows how to oeprate without a structure and new forms do not seem to emerge. We are still in

the time of destructuration where generous utopias still appear to be the only constructive answers to the malaise.

Higher education which has had its more spectacular revolution may have revived in part, but it is still in many countries and in many disciplines in a sort of chaos. European universities do not propose any kind of institutional leadership. They are no real institutions for their students. And very few people among their staff will be able to propose positive and non-ideological models of commitment to values which can be acceptable to students. This means that the universities' potential cannot be used as a stimulant for change in society and that young people's energy is easily diverted toward meaningless negative fights.

Other institutions are also, if less severely, perturbed by this collapse of moral authority. Among them the army, at least in its role of training school for organizational disciplines and as the sumbol and embodiment of patriotic values, has lost its moral and psychological appeal. Defense may be and will be probably more and more entrusted to professional armies that could remain very well reliable. But the conscript army as a school for the citizen and as a model of authority is on the wane. It has lost all sense of purpose. It feels and it is really isolated from the mainstream of human relationships. And here again another stronghold of the moral fabric of western societies disappears.

Curiously enough the problem of authority seems comparatively somewhat less explosive in economic organizations, which had always been considered the most difficult battlefield of industrial society. Difficulties

are obvious and they have been reactivated during the upheaval of the late sixties. Economic sanctions and the visibility of results, however, give them some acceptable rationale for collective endeavor.

European enterprises as institutions on the whole are nevertheless weaker than their American or Japanese counterparts. They lack consensus over the system of authority as well as over the system of resources allocation and they even often lack enough agreement as regards the rules of the game in conflict.

These problems have remained more difficult when the social system has maintained some of its rigid features of a former class society and when authority is supposed to be imposed from above. This is why the situation is so much more touchy in Italy and to some extent in France than in Scandinavia and even Germany where discipline has long been internalized. (7) One can generally state nevertheless that the problem remains more acute in Europe than in the U.S. where people have gradually learned newer forms of social control and in Japan where older forms of social control persist and readjust to present requirements in a very active fashion.

Two serious series of consequences derive from this relative institutional weakness. First the integration of the working class in the social game is only partial, especially in the Latin countries and in France. Second, the weight of the organizational middle classes of middle executives and supervisors constitutes a conservative, eventually paralyzing force.

The lack of integration of the working class not only prevents direct bargaining and understanding, which makes the European enterprise more

vulnerable, but it is at the root of the widespread reluctance of young people to accept the humiliating, underpaid lower blue-collar jobs. European entrepreneurs have found an easy solution to this manpower problem by turning to migrant workers from Southern Europe, North Africa and overseas. But this policy, which had been highly successful for a while and which has fed the industrial development of Western Europe during the last long boom years, has brought new and difficult problems in the community life of West European cities, and gradually another factor of instability has developed, especially since foreign workers in their turn have begun to question their place and range of opportunities in the system.

Efforts at promoting working class jobs and upgrading and integrating blue-collar jobs in the mainstream of industrial development usually failed because of the weight of the hierarchy. And the middle most "hierarchical" categories have so far slowed down the modernization of the institutional fabric of economic organization. Their attitudes furthermore help maintain in the European organizations the rigidity and hierarchical mode of social control that prevents modernization and growth.

Indeed if European enterprises look more healthy than European churches and educational systems, this is also because they still rely more on the old model of social control and one may surmise that they will have to follow suit, which means probable disruption.

Differences between countries, of course, as we have already pointed out, remain considerable. Sweden is well ahead in the development of a new model while Italy is in a stage of partial disruption.

4. The upsetting of the intellectual world

Another basic source of disruption of western societies comes from the intellectual world. Daniel Bell has rightly pointed out the basic importance of culture in the coming of post-industrial society. Knowledge tends to become the basic resource of mankind. Intellectuals as a social group are pushed in the forefront of political-social struggles and the relationships of the intellectual world to society change radically. But neither he nor other futurologists have drawn the consequences of such prognosis as regards the importance and the painfulness of such an ongoing process of change. There is no reason to believe that the contemporary cultural revolution will be more peaceful and harmonious than the industrial revolutions of the past. Behind the regular aggregate curves of change there are always quantities of material and moral disruption.

We seem to be as a matter of fact in a real cultural crisis which may be finally the greatest challenge that confronts our western societies, especially inasmuch as our incapacity to develop appropriate decision-making mechanisms -- the non-governability of our societies -- can be subsumed as an intellectual or cultural failure. Europe in this respect seems again the most troubled and the most vulnerable of the three areas, primarily because the strength and centrality of its intellectual tradition makes it more difficult to move to new models.

The first element of the crisis is the sheer problem of numbers. The coming of a post-industrial society means in any case a tremendous increase in the numbers of intellectuals, would-be intellectuals and para-intellectuals. Not only do older intellectual professions develop, but

but newer ones appear, many non-intellectual professions become intellectualized, and many more people find a way to claim a part in this fashionable calling. But of course, the more intellectuals there are, the less comparative prestige they can get. Here again we come to the central paradox. The more central a profession becomes, the less prestige and influence its average member will have as an individual. There would not be any problem if the socialization and training process would be geared to the new state of affairs. But people continue to be trained in the traditional aristocratic ethos of the prestigious roles of yesterday. They are thus prepared to expect a completely different pattern of activities and of relationship with the outside world. Moreover, the cumulative effects of their individual endeavors to promote and modernize their roles tend to diminish and routinize them.

True enough, new stratification redevelops between those who can really play a leading role and those who have to accept a humbler status. But this stratification is in turn a factor of malaise, especially since as in many countries, particularly France and England, the happy few acquired and maintain their position by restrictive monopolistic practices.

Another factor of malaise comes from the importance of the aristocratic tradition in Western Europe's cultural world. According to that tradition, intellectuals are romantic figures who naturally get a position of prominence through a sort of aristocratic exaltation. This posture is still well alive and even dominant at a deep level, while intellectuals as agents of change and moral guides in a period of fast changes should be and are effectively in the vanguard of the fight against the old aristocratic

style. This means not only that they are working to destroy the privileges that they unconsciously crave, but that many of them do undergo a basic moral crisis for which a radical stand is often an easy solution.

This internal upsetting of the traditional intellectual roles, whose new occupants have to discover that they do not meet the expectations which had prompted their own personal commitments, is increased, if not multiplied, because of the existence of a very strong displacement within the intellectual world itself. While a long tradition had given the humanities and traditional scholarship an honored and leading position, the new trend tends to favor those new intellectual professions and disciplines that may be more useful for action. The centrality of theoretical knowledge emphasized by Daniel Bell does not apply to all theoretical knowledge but only to certain forms of it. The more post-industrial society becomes intellectualized, the more it tends to displace traditional value-oriented intellectual professions and disciplines to the benefit of action-oriented ones, i.e., those that can play a direct role for policy-making.

Value-oriented intellectuals do not disappear or even decline, however. They find new rapidly developing openings in the media and more generally the world of communications. But such a reorientation may be morally painful since it can be viewed as somewhat debasing.

In any case, the opposition of the two cultures C. P. Snow has described has shifted very much. It has become a fight between those who play the audience, even if it is a protest type, and those who contribute to the process of decision-making.

Within such a context one may better understand the very deep moral crisis of the intellectual world which is a natural crisis of identity in a rapidly changing world where the basic mechanisms of regulation of a milieu which has always been extremely sensitive and vulnerable have been put severely into question.

Many other factors, of course, are at play. More generally the cultural world may be considered as a sort of sounding board for the other forms of malaise of western societies. But one should emphasize that this sounding board plays a very important, even basic, autonomous role of its own, first of all because it reinforces the uncertainties and deriving anxieties it is expressing and, secondly, because it projects on the whole of society the crises of identity its members are experiencing.

As a matter of fact, and notwithstanding the many differences between countries, one can clearly recognize a general drift of the art and literary world toward a protest and even revolutionary posture. Enthusiasm may come and go but the general trend has been steady for a good many years. It has shaped the cultural context in which the younger generations move.

One should not underestimate the importance of such a prevailing fashion. True enough, one can correctly dismiss its immediate political influence. One may emphasize the superficiality of its fashionable aspects. But it has a meaning and an influence at a deeper level. It is an expression of a basic weakening of Western Europe's sense of purpose, capacity to lead and capacity to govern itself. And it is at the same time the source of a profound divorce between the ruling people and the young talents.

Even if it does not affect the general public which tends to react against high brow pessimism, the overall mood of Western societies is deeply shaped by such a general drift. West European values are not vivified and rejuvenated in a convincing way. No model of civilization emerges from its present day drifting culture, no call for reform and pioneering. Ritualism, self-pitying and self-debasing postures remain the basic undercurrent behind the arrogant radical criticism that prevails on the surface. Vague utopias certainly do not counterbalance the stronger apocalyptic nihilism that forms the basic texture of our vanguard culture. Conversely, there is no possible dialogue between ruling elites and the new generations. Fragmentation and stratification which was stifling traditional class society seems to perpetuate itself through new cultural cleavages.

Deeper, regulations, of course, may be at work which we cannot distinguish yet. And it can be argued convincingly that a new blossoming will follow this long hibernating process. But we must face clearly the fact that we are in the most vulnerable part of the cycle of change or, better, of the process of transition to post-industrial society.

5. The mass media

The vulnerability of the cultural world and its importance for the whole of society is compounded because of the central role it plays in two basic subsystems of modern societies: the education system and the audience-media system.

We have already discussed the problem of education. We would just like to add that the world of education exemplifies some of the same basic

contradictions of the world of culture. The prestige of teachers has decreased with the tremendous increase of their numbers while their expectations are still very much influenced by the traditional "liberal" flavor of their calling. And they are even more deeply than other intellectuals directly confronted with the revolution in human relations that perturbs their traditional mode of social control. At the same time, it has lost with the cultural drift the stimulating moral guidance it requires. As a consequence the transmission of social, political and cultural norms has been very deeply perturbed thus feeding back on society as a whole. Already research results show the amount of the intellectual breakdown and the value of disorientation that prevails in many sectors of the popolation. People's behavior is not touched really, but they can no more rely on a coherent rationalization of its context and they feel at a loss to find how they relate to society. Anomic rebellion, estrangement from society, alienation certainly have dangerously progressed because of this cultural void.

The audience media system is certainly not as crisis-ridden as the education system. It has been, however, deeply transformed by the explosion of communications, the expansion of the field, and the new role played by value-intellectuals.

Their influence on politics and governability, however, is much more direct and they play a most decisive role in the present drift of western societies.

First of all, they are a very important source of disintegration of the old forms of social control inasmuch as they contribute to the breakdown

of old barriers to communication. Television has played a major role in this respect. It has made it impossible to maintain the cultural fragmentation and hierarchy that was necessary to enforce traditional forms of social control. Its impact has been more recent and more difficult than in the U. S. or Japan because of the much stronger resistance of fragmented and stratified societies. Its use is still more differentiated according to social categories or classes. Nevertheless the strength of its appeal is such that it has forced a complete change of public and social life. Not only did it have this direct impact but it also helped indirectly the press to restructure itself.

The main impact of these changes of course is visibility, even instant visibility. The only real event is the event that is reported and the social game consists in creating the media events more than to act realistically. This gives journalists a crucial role as gatekeepers of one of the central dimensions of public life.

This has led gradually to a situation where the media have become an autonomous power. It is not new to talk about the Fourth Estate. But we now have come to a crucial change when the profession tends to regulate itself in such a way as to resist pressure from financial or governmental interests. This is, of course, extremely different according to the media. Television, which is heavily influenced in many countries by governmental control, works of course much less openly than newspapers; self-regulation, however, is everywhere on the increase.

This could be viewed as tremendous progress. But at the same time these mechanisms of self-regulation of the media tend to be strongly

biased. If journalists can create events, they have a structuring impact on public and social life. And if their basic logic in creating events is to reach the widest possible audience, they will tend to bias the social game in such a way that public figures will have to play for this audience much more than for real outcomes. This has many consequences:

- First of all, the media become a tremendous sounding board for the difficulties and tensions of society. Movements and fashions take broader proportions. It is much more difficult to escape the whirlpool of public relations events and to concentrate on more basic problems.

- Second, media deprive governments and to some extent also other responsible authorities of the time lag, tolerance, and trust that make it possible to innovate and to experiment responsibly.

- Third, the pressure of the media makes it extremely difficult to solve a basic dilemma of modern complex systems, which has been brought to evidence as the counterintuitive effect.(8) Systems operate in such a way that very often the general outcome of individual action runs counter to the will of the actors and to the general intuition one may have in advance. This institutional characteristic makes it imperative to give much more importance to systems analyses than to the immediate and apparent views of the actors, which is evidently the bias of the media. The more this sounding board emphasizes the emotional appeal of the actors' "life experience," especially as biased by the technique of the media, the less easy it is to force a real analysis of the complex game on which the statesman must act. Finally, the emphasis on direct evidence appears to be as loaded with ideology and manipulation as old style oratory. Journalists' autonomy

does not lead necessarily to transparency and truth but may distort deeply the perception of reality.

Here we find again the problem of journalists as intellectuals, value-oriented intellectuals who tend to be governed by the game of catching the audience's attention and being responsible therefore for the acceleration of the "cultural drift." This problem may be, in the long run, much more important than the problems of financial and government interference which tend to be everywhere on the receding side.

In politics, however, the public relations effect is still quite different from the North American one since the ruling elite and the educated audience play a major role as a sort of screen. They constitute the primary audience of the high brow publications, which in turn tend to structure the problems that will finally reach the broader audience. Public relations of a public figure will be conditioned by the existence of these two degrees. This means a very serious buffer against too immediate reactions. But this does not mean a suppression of the public relations distortion, only a transformation of its conditions. At any rate the pressure for change that is against secrecy and protection of the executive seems to be on the increase. And the only ready answer to counterbalance it is the use of bureaucracy for real action which means that the gap between the decision-making system distorted by public-relations problems and the implementation system protected but also bound and biased by the bureaucratic machine regulating mechanisms will tend to increase, thus triggering constant new waves of frustration and anger and diminishing the amount of trust people will give to their leadership.

6. Inflation

Inflation can be considered as a direct result of the non-governability of Western democracies. It is an easy answer to the tensions of growth. The less a society is capable to face them, the readier it is to accept inflation as a less painful solution. But it is at the same time an independent source of disruption which exacerbates conflicts and still diminishes the capacity of groups and societies to act.

Present day inflation therefore ought to be considered, even if very briefly, as another independent variable to be analyzed as a supplementary cause of disruption.

It is no wonder that the countries whose social fabric is the weakest, those whose model of social control is still based on hierarchy, fragmentation, and distance, have always been much more vulnerable to inflation. In the sixties, however, some reasonable sort of equilibrium had been found according to which the anticipation of growth was reasonably matched with actual growth while Keynesian policies were stabilizing the system. This golden age of economics however was shorter in Europe, Germany excepted, than in North America. In any case now, no country can resist the tremendous pressure of the new world turbulence.

Present day large scale inflation has been for a time remarkably well accepted. It has had a strong distorting effect on the economic and social position of individuals and groups. But its impersonal operation prevents direct complaint. Furthermore those groups who are usually the loudest are those who are likely to benefit from the process. One can even claim that the combination of public feeling, trade union pressure and governmental

intervention has tended to operate in favor of low salaries. This finally means that professional salaried middle classes which were certainly privileged have lost some of their advantages, which is not as unfair an outcome as one would immediately tend to believe.

The problems of inflation, however, change nature when the so-called two digit numbers seem to become a stable feature of the economic picture. The costs seem then more and more unbearable. Not only do distortions appear, but social relationships become unstable. Lack of trust prevents the necessary regulation of large and small economic and social subsystems. More people, moreover, antitipate a crisis and the governments' margin of freedom is reduced to the lowest level. This is what we observe in the U.K. and in Italy. Between unemployment and inflation there does not seem any middle way. Basically, governments appear to be unable to induce groups who are in strategic position to accept sacrifices. European unity is not much of a real help since it is much easier for any government to dump on the outside the consequences of its weaknesses. European countries' economic foreign policies tend therefore to be on the whole not only uncoordinated but even erratic.

There are still, however, some positive elements in the picture: Germany's understanding that it cannot retain its prosperity alone; France's surprisingly better results; and Franco-German cooperation. While not yet inspiring for the presently weaker countries, they may be a new point of departure and, if some success develops, they will play a very important symbolic role for the development of the new capacities Europe requires.

Inflation and its twin evil, depression, make finally the problem of governability, whose different and complex aspects we have tried to discuss, an immediate and practical problem. And the basic question comes: are the European countries ready to meet the challenge of the new situation, to develop in time of crisis the institutional capacity they could not develop in time of prosperity?

To make an educated guess on this most crucial problem, one must focus now more closely on the role and structure of political values in present day Western Europe.

III. The Role and Structure of Political Values

1. The values structure and the problem of rationality

Behind all these governability problems of modern western societies lie some more basic problems of values. Participation, people's consent, equality, the right of the collectivity to intervene in personal affairs, the possible acceptance of authority seem to be the preliminary questions to debate before giving a reasonable diagnosis and proposing possible solutions.

This seems, however, much too logical to be meaningfully operationalized. The relationship of values to behavior and especially to institutionalized behavior is much more complex than it is usually believed, which makes the interpretation of opinion polls highly questionable.

Above all, there is a wide discrepancy between professed values -- what we can get through opinion polls and even attitude surveys -- and actual behavior -- what people will eventually do when problems force them to choose. Not only is there a discrepancy but the nature, importance and even

direction of this discrepancy are difficult to understand and therefore predict. Shortly before the French students' revolt in May 1968, opinion polls gave an almost idyllic representation of students' docility, conformism, and even satisfied apathy.

However, at a deep and not clearly conscious level, we can surmise that there is a rationale in people's behavior which is buttressing the maintenance of the social games and their social and cultural characteristics and these rationales can be considered as more stable and meaningful value orientations. These value orientations, however, cannot be put easily in evidence. It will be the task for the new generations of social scientists to set these problems in more operational terms. But for the moment, we can only present some hypotheses that cannot be supported by data and represent only educated guesses which have been elaborated by confronting the problems to be solved -- governability -- with the institutional patterns and what we know of their evolution and the professed values of people about them.

In this perspective, the first and more central hypothesis concerns the concept of rationality and its relationship with the structure of values.

Western Europe, as the western world generally, has lived during the last two or three centuries with a certain model of rationality which has had a decisive influence on values at least by giving them the basic structure within which they could be expressed.

This kind of rationality, which can be considered as the most powerful tool man had discovered for managing collective action, is founded upon a clear distinction between ends and means and an analytical fragmentation

of problems within a world that could be considered infinite. Within such a framework people can define goals according to their preferences (i.e., their values). Then society's technical knowledge could provide them with the necessary (and sufficient) means to implement them. Every problem can be redefined in such a way that ends and means may be clearly separate so that a rational solution could be easily found. Of course, collective action implies several participants with different orders of preferences. But in the economic sphere analytical structuring will help sort out single deciders to whom others will be linked by definite contracts (into which they will enter according to their orders of preference). And in the political sphere democratic procedures organized around the twin concepts of general will and sovereignty give the rationale for the same logic.

Of course difficulties can arise and they may be (reluctantly) recognized. It will be, therefore, necessary to resort to manipulation, compromise, and even coercion in order to arrive at a decision. As regards the elaboration of decisions, democracy can be viewed as the least evil as well as the ideal embodiment of rationality. As regards their implementation, bureaucratic means are supposed to ensure an accurate and impersonal compliance. Conflict over means may be another worry, but good leadership and energy will finally overcome the obstacles. If there are failures, they are due to the weakness of human nature and have to be tolerated as such.

As a general consequence a stable dichotomy has always persisted between the ideal objectives which pertain to the logic of values and the muddy, messy world of reality, which is the realm of unsavory "political"

deals. But this discrepancy, although perturbing, does not shake this fundamental model of reasoning. On the contrary, the more ideals may be compromised in practice, the more idealized and the more worshipped they will remain in the domain of values.

This system has worked well enough inasmuch as societal change was slow, the intervention of public authorities rather limited and the fragmentation and stratification of society strong enough to ensure a pragmatic acceptance of social order and established authority.

But once the explosion of communication and social interaction has disturbed the necessary barriers that made societies more simple and therefore more manageable, this basic pattern of rationality disintegrates.

First, there is no way to order goals either rationally or democratically. Furthermore, the quality and authenticity of preferences and goals becomes questionable. It is all very well to say that people should choose according to their preferences. But where do these preferences come from? The context of influences that is exerted over them appears to be determinant. Manipulation becomes a sort of basic fear which pervades the democratic creed. At the same time, social sciences begin to question this preference model by showing how people do not have <u>a priori</u> wants but discover goals from their experience, that is they learn what they want by trial and error and implementation schemes. Thus finally ends develop only through means.

Second, ends to not appear in a vacuum. They are part of structured universes which encompass means also. Furthermore, they are interrelated and conflictual. None of them can be pushed very far without interfering

with other ends. Finally what is end for one individual or one group is means for other individuals or groups.

Third, the breakdown of barriers means that people participate in very large structured sets where this unilateral rationality scheme becomes terribly oppressive. If means according to its logic are the domain of inescapable rational techniques, the 95% or 99% of human beings whose universe does not go beyond these "means" do not have the possibility to participate in a meaningful way in the government of their daily lives. If rational techniques can provide the one best solution, they cannot even discuss the relevance of their experience for the common good.

Fourth, rationality was always tempered by the limits of tradition and custom, by the fragmentation of the problems. If limits disappear, if therefore rationality wins too much, if established authority, whether religious or social, crumbles, rationality explodes; it becomes in a certain sense irrational.

If we use this too sketchy analysis of the crisis of modern rationality as a goal structuring scheme to come back to our problem of western democracies' governability, we can draw a first set of conclusions.

There is no wonder that the concept of rationality has been put into question. Its own success was bound to make its contradictions explode. The cultural and moral breakdown of the late sixties therefore has expressed something important for the future. Whatever its vagaries and the dangerous threats it is presenting against the democratic way of government, it has above all exposed the illusions of traditional rationality and may help us learn a new kind of reasoning where professed values will not be the only guide for moral action.

The search for a broader kind of rationality as well as the search for new kinds of social and organizational games that can embody it is the major problem of western societies.

New social and psychological utopias, such as the community drive, the encounter group philosophy, and the self-government dreams are useful tools for this search as well as dangerous illusions. Conversely, political reemphasis of local and regional ties may be as well a conservative "retro" fashion as a necessary axis for the renewal of governmental processes.

European societies, as well as the U.S., partake of this impossible search. They start, however, with a handicap inasmuch as they are still much more involved in the former model of rationality, while the rapidity of change was destroying the customary protections that were counterbalancing its rigid use. These difficulties are very much linked with social stratification problems, especially the social gap between the world of decision and the world of execution and the parallel but non-identical gap between the educated and the non-educated classes.

2. Core political beliefs

If we distinguish core political beliefs from principles of action, one discovers a rather paradoxical situation which may be emphasized as one basic characteristic of our contemporary scene. While those principles of action that seemed formerly immutable appear to be deeply shaken, forcing people to open up to existential bewilderment as regards the meaning of their action and their social identity, core political beliefs around which changes had been always hypothesized remain much more stable.

While people commonly feel that the usual way to achieve goals is not acceptable any more (one cannot order people around even if one pretends one can or even does) and while community feelings seem much more important for young people than the real content of any goal, the basic tenets of the democratic and Christian creed are still very much alive and color revolutionary as well as conservative enterprises.

In this respect four clusters of values seem to me as predominant now as they have been for a long time.

First of all, the freedom of the individual is the cardinal value which is not only unanimously shared but seems to be rediscovered again by any kind of new movement whether extremely radical or conservatively religious. It will be immediately argued that they have widely different conceptions of freedom. But this is not so sure if one remains at the level of values or core political beliefs. The only fundamental distinction one can see at this point is the opposition between the European conception of freedom -- which is a sort of <u>freedom-from</u>, i.e., emphasizing the inalienable right of the individual not to be interfered with -- and the American one -- which may rather be a <u>freedom-to</u>, that is, the inalienable right to take initiatives and to lead others if they so wish. European <u>freedom-from</u> antedates political democracy and has deep Christian roots. It has different forms according to the European country, with some orientation of the more Protestant countries toward the <u>freedom-to</u> concept, but on the whole there is much more convergence than one would think across countries and across class barriers and political groupings.

Second, equality, whatever its ambiguity and possible threats, remains a dominant value orientation all over Western Europe. European egalitarianism, however, shows again a difference from the American variety.

It is still a stratified kind of egalitarianism. People may require equality with their peers most punctiliously while they may accept inequality between statuses and strata. Contrary to North Americans, they might be shocked by differences of treatment that do not recognize people's status while they would not mind the differences between statuses per se.

Order and efficiency may be more surprising items to put among the core political beliefs of West Europeans. One cannot escape being struck, however, with the importance of these kinds of values in the political process. Whenever the development of freedom threatens to bring chaos, the demand for order is immediate, even violent.

It is not a lost or dwindling part of the core political beliefs whatever the possible evolution as regards its forms in the direction of more tolerance. The special West European form of order, however, has a more social and less juridical connotation than in the U.S. Things (and people) have to be put in their proper place for society to operate. Due process is not the cardinal element of this belief. Furthermore, efficiency may be added to it inasmuch as it has a legitimating connotation. Order is the way to achieve efficiency, which is the condition of a well functioning society. West Europeans still value the good "efficient" scheme more than the concrete results. Order is the burden of the white man; efficiency may be the demonstration of it in a modern rationalized society.

Finally, I would emphasize dualism as a fourth cluster of core political beliefs. Contrary to Eastern countries, West Europeans never had a unitary conception of legitimacy. Church and State opposition antedates modern left-right conflicts. Group cooperation may be dreamed of as a possible unanimous harmony but it has never been practiced without the due protection of dualism. Free choice can be preserved only if the existence of an opposition preserved the independence of the individual who could be otherwise too dependent on the predominant power to be able to assert his right. All situations where such an opposition disappears have to be avoided as paternalistic, feudalistic and oppressive. Conflict may be handled most painfully through such dualism. Real conflicts may be stifled and distorted but one feels that the price is worth paying since prior harmony is always suspect. This core belief, which is completely foreign to Japan, is widely shared in North America but the American form of it emphasizes checks and balances more than conflict and dualism. Absolute power is this conception is evil and must therefore be checked but this does not necessarily imply the division of the citizens. In Europe this division is the center of the game, and one can tolerate a greater abuse of governmental prerogatives since government will be paralyzed by the division of society.

3. The impact of social, economic and cultural changes on the principles of rationality and on the core political beliefs

Political behavior and political changes do not depend directly on political values but on the possible learning people can do within the constraints of the core political beliefs they adhere to and the principles of rationality they apply.

What may be then more precisely the impact of social, economic and cultural changes over these two kinds of societal dimensions?

All over Western Europe the development of social interaction, the disruptive effects of cumulative change, the cultural drift and the exposure of government to media publicity have made it more and more difficult to maintain social control and to answer the demands of the citizens. Traditional rationality, therefore, disintegrates. But values, core political beliefs, are not affected. They may even be reinforced.

On the contrary, the urge for freedom does not level off. It may be exacerbated by the helplessness of the uprooted individual within a too complex world and his concomitant blackmailing power over weakened institutions. Not only is the demand for freedom exacerbated, but it does not transform from a freedom-from to a freedom-to orientation. The traditional posture still pays off.

The drive for equality, of course, develops; it may progress from a narrow categorical frame of reference to a broader one. But basically the tightness of the social and political game is such that no significant shift can be expected in a near enough future.

Conversely, the need for order is reactivated by the chaotic aspect of a generalized blackmailing game. And it is more of a regressive than progressive kind. No learning seems to take place. As usual people ask freedom for themselves, order for the others. Even dualism may be reinforced inasmuch as the breakdown of rationality and the weakness of government leaves the field open for the game of division and opposition.

What is at stake, therefore, is not the democratic creed and the Christian ethos, which are less directly threatened than they were for example in the thirties,(9) but the contradiction between these core political beliefs and the principles of action that could make it possible to implement them.

Earlier democratic processes had been built on the separation of groups and classes. They relied as much on institutionalized non-communication as on democratic confrontation. Authority was worshipped as an indispensable means for achieving order although it was rejected as a dangerous interference with freedom.

Such a model could not stand structural changes that destroy barriers, force people to compete outside traditional limits, and suppress the distance that protected traditional authority. A profound contradiction therefore develops. People tend to try different, more open practices, or are being forced into them, but they cannot stand the tensions these practices bring. Since they also cannot stand the authority that could moderate these tensions and bring back order over them, a very resilient vicious circle develops. Little real learning takes place, authority hides behind public relations and complexity, but gets more vulnerable because it does not dare to assert itself. And the more vulnerable it becomes, the more it generates blackmailing group pressures, the less margin it retains for more responsible longer term action and the less chances it stands to regain legitimacy.

New patterns of tolerance and mutual adjustment have to be learned and are in fact being learned to deal with these growing tensions and the

chaotic consequences they can have if the easy solution of inflation disappears. But this cannot take place yet at the level of the values or core belief system. What we can only hope is that action will anticipate beliefs, that is, people will learn from experience instead of obeying already existing motivations. This kind of learning is perfectly compatible with the core belief system although it implies some shift from the freedom-from concept to the freedom-to concept and the extension of the traditional narrow egalitarianism to broader domains. But it would mean the appearance of new beliefs alongside the core system. If such learning does not develop quickly enough, however, there is a growing risk of crisis and regression.

4. Traditional factors as a counterweight

European societies do still live on a series of traditional adjustments that are not called into question because they are taken for granted: the persistence of old forms of patronage networks which allow due consideration to forgotten human factors; symbiotic adjustments between opposed social and economic partners according to which conflicts and tensions are maintained at a workable level; implicit bargaining arrangements between groups that cannot face each other squarely; implicit consensus on some sort of professional or work ethic, and so on.

There is, moreover, a longing and a search for earlier community practices to be rediscovered and revived which testify to the need of finding more roots at a time when the acceleration of change destroys the support as well as the constraints around which man could find meaning. On the whole, however, Western Europe seems to be worse off than either Japan or North America. Japan still benefits from the existence of a huge capital

of collective cpaacity it can rely upon. North America does not have this capital of tradition; but even if it suffers some of the same problems Western Europe has to face, it has had more time to learn and it benefits from a lot more slack in its social and economic system which allows it to experiment more easily. Western Europe has used up a lot more of its own reserves than Japan and does not have the learning experience and the learning capacity of the U.S. It should, hterefore, be much more careful with whatever resources it has, and invest as much as it can to develop them and learn new patterns of adjustment. It does not have time to wait, it must learn and learn as quickly as possible. A uniquely defensive strategy would be in this respect suicidal because the risk of regression is a very concrete one.

5. The risks of social and political regression

Western Europe has known already a tragic period of regression when the chaotic and effervescent world born out of World War I could not face its tensions, especially those of the depression, and when its needs for order were met by the recourse to the fascist and to the nazi regression. Fascism and nazism can be analyzed as a return to older forms of authority to restore or impose the indispensable order. This was associated with a sudden shift in the patterns of behavior reactivating those of them which were closer to earlier types.

Can Western Europe suffer such a second setback?

Certainly not in the same form and in the same direction. There is little left in the present core beliefs in which to find support. There is

no strong will, no sense of mission, no real dedication to fight for the restoration of an earlier moral order; there is not so much will to fight for capitalism or even for free enterprise as such. No strong movement can be expected therefore from a right-wing "reactionary" background.

But regression can come also from the left for two converging reasons: the communist parties have emerged more and more as the parties of order, whose leaders are the only ones able to make people work, and there has always been a very strong tendency to develop state socialism and public bureaucracy interference as the easy solution to manage the impossible, that is, to maintain order in the face of unmanageable conflicts.

These affirmations may seem paradoxical. The communist parties generally have lost ground or levelled off almost everywhere in Western Europe. Their ideology does nto have the same appear any more. It looks very much like a routinized church whose charisma has partially at least disappeared. Why should such sedate and moderate parties be a threat to democracy just at the time they are beginning to respect its basic tenets?

The strength of the present communist parties of Western Europe does not lie, however, either in their revolutionary appeal or in their electoral capabilities. They must have enough of them certainly. But their unique superiority is their organizational one. They are the only institution left in Western Europe where authority is not questioned, where a primitive but very efficient chain of command can manipulate a docile work force, where there is a capacity to take hard decisions and adjust quickly, where goods can be delivered and delays respected.

Authority there may be heavy-handed and the close atmosphere it has maintained over its people has certainly been a brake to its development. Turnover has always been considerable. But granted these costs, their machine has remained extraordinarily efficient and its superiority has tremendously increased when other major institutions have begun to disintegrate. There is now no other institution in Europe, not even the state bureaucracies, that can match the communist parties' capabilities in this domain.

True enough as long as the problem of order does not become central they are out of the game, but if chaos should develop for a long enough time following a stronger depression, they can provide the last solution.

This is all the more possible since most European countries have always had a very strong tradition of state control and bureaucratic procedures to substitute for their political systems' weaknesses. While bureaucracy may be anathema for the majority of people in opinion polls, it is still the easy solution for any kind of problem. This, of course, may be more true for France and England but it is also strong in the smaller countries and Germany, which, while it has moved away from state socialism, still has a strong background to which one can appeal.

For some of the Western countries nationalizations after years of oblivion and little ideological appeal have become an issue again. In time of political chaos and economic depression they may appear the last recourse to save employment and to equalize sacrifices.

In such a situation the communist parties are certainly better trained to administer the resulting confusion and to restore order to leaderless organizations. They will win then not because of their appeal but by

default because communists are the only ones capable of filling the void.

Already they have shown proofs of their capabilities. They have shown remarkable efficiency in administering cities in Italy and in France; they have helped to restore order in Italian, French and even German universities; and they have shown everywhere, even in England, how to influence key trade unions by using minority control devices.

Their potential, therefore, is much higher at that level than it is at the electoral or at the revolutionary level. And because of this potential they can attract experts and professionals of high caliber and increase their capabilities also on the technical side.

Nevertheless, they do have problems. The most pressing one is the danger of being contaminated by the general trends of the societies in which they have to operate, that is, to be unable to prevent the disintegration of their model of authority. This is why they take such great care to maintain their revolutionary identity. They have been protected by their minority ghetto-like status and as long as they can maintain it, their hard core membership has so deeply internalized their so far successful practices that they can stand the pressure of the environment for quite a long time.

They have a hard game to play nevertheless. They must be enough in to be present when high enough stakes come, while remaining sufficiently out to maintain their organizational capacity.

Their basic weakness of course lies in their difficulty to respect the <u>freedom-from</u> belief and their incapacity to accept dualism. Can they govern and control societies whose core political beliefs are alien to them?

Would not they trigger an extremely strong backlash? It is, of course, difficult to answer especially since these same societies are in the midst of a deep transformation which affects with the principles of rationality the basis of their social game.

Let us just suggest that if the takeover would be sudden, an anti-communist backlash would be likely, but if the breakdown would be intensive and profound but also gradual, the communists coming to power could be very difficult to question.

IV. Conclusions: European Vulnerability

This successive review of some of the major European problems of governability may suffer from an overly pessimistic overtone. By focusing on the more intractable problems one is easily led to overemphasize contradictions and to give the misleading impression that breakdowns are likely to occur immediately.

To present a more balanced conclusion, we would put these analyses in a more general perspective. The problems of European societies are difficult to solve, but they are not intractable and European societies, whatever their weaknesses, do still possess a lot of resources that can be mobilized when wanted. They have already shown during the contemporary period a usually strong relilience and a capacity to adapt, to adjust and to invent which had been quite unexpected. Right now they still manage to maintain democratic stability against very difficult odds. And during the past twenty years they have operated a very impressive mutation that few observers would have trusted them to accomplish. If there was no

external constraint, there would be no reason to believe they could not accomplish the second mutation that looks necessary now.

The basic situation therefore that should worry us is not so much the intractability of the problems and the incapacity of the European societies to meet the challenge; it is the vulnerability of Europe. All European nations indeed have to live through the same impossible situation: they have to operate a basic mutation in their model of government and their mode of social control while facing at the same time a crisis from within and a crisis from without.

They have all difference capacities and some of them at first glance seem more likely to succeed than others. But none of them has the leeway and resources of the U.S. or the collective capacity of action of Japan. Furthermore, they are so interdependent that if they can help and emulate each other strongly they are partially dependent on the vulnerability of the weakest link in the chain.

The crisis from within revolves, of course, basically around economic and social instability. Inflation at the rate it has reached increases the tensions it had alleviated formerly. Its disruptive effects undermine the basis of the social bond because of the loss of trust and the impossibility to plan ahead. But too much deflation would force an impossible reallocation of resources and/or raise unemployment to an unacceptable level. Countries are therefore in an impossible vicious circle, which it is very difficult for them to break without entering a deeper depression, and whose risk seems impossible to accept in view of the fragility of their social fabric.

Managing such a crisis imposes the need to give priority to short-term considerations and makes it all the more difficult to meet the more basic challenge of the necessary mutation of social controls.

This is, of course, compounded by the consequences of the crisis from without which is not only the crisis of energy and the crisis of the balance of payments but the relative situation of weakness of the European nations whose welfare is for the first time directly dependent on outside pressures from non-western powers. Here again the failure of one or two countries can be managed with the help of the strongest, but if France for example would follow the whole European system would crumble.

In such a difficult situation, state socialism may appear to be the easiest solution for some countries, especially the Latin ones, since it would give workers guarantees and help spread out employment. But such a course of action, a possibility which must be taken very seriously, would trigger a period of social chaos in which the communist parties would play a decisive role because they would be the only ones capable of bringing back order and efficiency.

This scenario, of course, could not apply to the whole of Europe but it could quickly spread to Italy, France and Spain, and put an unbearable pressure on Germany. At that time finlandization would appear as the least evil.

Such a disastrous drifting of Western Europe is not inescapable. It is not even likely, but the fact that the possibility must be taken seriously is a measure of the present vulnerability of Europe.

To prevent it, European nations should try to go beyond their present dire constraints and face at the same time the challenges of the future.

First of all, they should try to accelerate the shift away from their old model of fragmentation, stratification, secrecy, and distance, which produced an acceptable balance between democratic processes, bureaucratic authority and some aristocratic tradition and experiment with more flexible models that could produce more social control with less coercive pressure. Such experimentation, which is bound to succeed in the long run, looks dangerous in the present vulnerable situation when we hesitate naturally to jeopardize what remains of the old means of social control as long as one is not sure of the quality of the new ones. Innovation nevertheless seems to be absolutely indispensable. It has to be careful but it is the only possible answer to Europe's dilemma.

European nations should at the same time try to reorient the trend of economic growth. They badly need to maintain growth to prevent unemployment and an exasperation of social conflicts, but they cannot maintain the type of growth of the last years which has brought more and more costly disruptions and can be considered one of the important causes of inflation. A new emphasis on quality, on collective amenities, on a more careful allocation of space is not impossible. New goals for facing the future can be given priority: modernizing the education process; improving community and regional decision-making; establishing more responsible information systems; radically changing working conditions and restoring the status of manual work; developing income maintenance programs; making

public bureaucracies responsible to the citizens and private bureaucracies to the consumers.

The diverse background and history of the different European nations can be viewed as an asset for such endeavors since there exists among them a tremendous reservoir of experience and of capable talents. European interdependence, on the other hand, forces European nations to face the impossible problem of unity. A united Europe was for a long time the idean dream to help maintain the drive to overcome the outdated modes of government that prevailed in the national state systems. But the advocates of European unity have stumbled too long on the obstacle of the central states' nodal power, which the present crises have reinforced even more, to maintain hope for the near future.

Investments in a European common capacity remain nevertheless indispensable not only for Europe's sake but for each country's capacity to overcome its own narrow determinisms. Can they be made in view of the present pressure? This may be the most difficult question. It may certainly be helped in any case by a better appreciation of the two other regions of the difficulty of their partners' problem and by their willingness to help solve it.

FOOTNOTES

(1) A famous contemporary French politician well known for his skillful use of the system when asked what to do with a difficult problem used to sum up this practice by saying, "let's muddle it up a little more."

(2) This seems to be one basic weakness of the Lindblom model in The Intelligence of Democracy: it does not give due attention to the way the field in which adjustments take place is structured and regulated. Sensible partisan mutual adjustments take place only within fields which a minimum of structure and regulation has neutralized. Chaos will only bring chaos. Good "partisan mutual adjustment" systems are a construct as is any kind of market.

(3) See Alain COTTEREAU, Sociologie du Travail. (4) "L'agglomération parisienne au début du siècle," 1969, pp. 342-365.

(4) To some extent Switzerland might be an interesting exception which is a lasting testimony to the exceptional strength of its decentralized local decision-making system.

(5) This proposition is very difficult to substantiate since each country may rate differently on the diverse categories of a very complex social universe. One can argue that class differences are still stronger in England and Germany than in France. It seems however that French institutions and organizational systems still rely more on hierarchical mechanisms than their counterparts in England and Germany. The crumbling of social barriers in any case has been more spectacular in France and Italy in one of the key areas of modern change, the universities. The influx of students into these two countries has been much higher in the sixties than in England and Germany with a concomitant breakdown of social control.

(6) This is certainly one of the reasons for the development of inflation which is the consequence of the disruption of traditional social regulation as much as it is a cause of it.

(7) One should, of course, add that the economic gains of blue-collar workers in these countries have been comparatively much higher, but there is no point opposing the two series of causes which are intertwined and do reinforce each other.

(8) James Forrester was the first to use this formula.

(9) One may argue that they are eroded but I personally feel that they have fewer defenders because nobody attacks them and even more because everybody agrees so much that they are taken for granted.

CHAPTER III - THE UNITED STATES
by Samuel P. Huntington

CHAPTER III

THE UNITED STATES*

Samuel P. Huntington

I. The Vitality and Governability of American Democracy

The 1960s witnessed a dramatic renewal of the democratic spirit in America. The predominant trends of that decade involved the challenging of the authority of established political, social, and economic institutions, increased popular participation in and control over those institutions, a reaction against the concentration of power in the executive branch of the federal government and in favor of the reassertion of the power of Congress and of state and local government, renewed commitment to the idea of equality on the part of intellectuals and informed elites, the emergence of "public interest" lobbying groups, increased concern for the rights of and provisions of opportunities for minorities and women to participate in the polity and economy, a pervasive criticism of those who possessed or were even thought to possess excessive power or wealth. The spirit of protest, the spirit of equality, the impulse to expose and correct inequities were abroad in the land. The themes of the 1960s were those of the Jacksonian Democracy and the muckraking Progressives; they

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*This paper deals only with the United States. The omission of Canada is unfortunate but, in the circumstances, unavoidable for two related reasons. One, the question of French Canada poses very special problems for the governability of Canada. Two, I am not well-informed about these problems and the constraints of time and resources have not permitted me to inform myself about them

I am indebted to Kevin Middlebrook and Kenneth Juster for their efficient help in the collection of material and data for this paper.

embodied ideas and beliefs which were deep in the American tradition but which usually do not command the passionate intensity of commitment which they did in the 1960s. That decade bore testimony to the vitality of the democratic idea It was a decade of democratic surge, of the re-assertion of democratic egalitarianism.

This democratic surge manifested itself in an almost endless variety of ways. Consider, for instance, simply a few examples of this surge in terms of the two democratic norms of participation and equality. Voting participation, which had increased during the 1940s and 1950s, declined during the 1960s, reaching lows of 55.6% in the 1972 presidential election and of 38% in the 1974 midterm election. Almost all other forms of political participation, however, saw a significant increase during the 1950s and continuing into the 1960s. An index of campaign activity (representing the mean number of campaign acts performed each year) rose from a low of .58 in the 1952 election to a peak of .83 in the 1960 election; thereafter it declined somewhat and levelled off, registering .69 in 1962, .77 in 1964, .73 in 1968 but returning to its previous high of .83 in 1970.(1) The overall picture is one of a sharp increase in campaign activity in the 1950s following which it remained on a high plateau in the 1960s. The Goldwater, McCarthy, Wallace, and McGovern candidacies mobilized unprecedented numbers of volunteer campaign workers. In addition, the Republicans in 1962 and the Democrats subsequently launched a series of major efforts to raise a substantial portion of their campaign funds from large numbers of small givers. In 1972 Nixon and McGovern each collected $13 to $15 million in small amounts from over 500,000 contributors.

The 1960s also saw, of course, a marked upswing in other forms of citizen participation, in the form of marches, demonstrations, protest movements, and "cause" organizations (such as Common Cause, Nader groups, environmental groups). The expansion of participation throughout society was reflected in the markedly higher levels of self-consciousness on the part of the blacks, Indians, Chicanos, white ethnic groups, students, and women, all of whom became mobilized and organized in new ways to achieve what they considered to be their appropriate share of the action and of the rewards. The results of their efforts were testimony to the ability of the American political system to respond to the pressures of newly active groups, to assimilate those groups into the political system, and to incorporate members of those groups into the political leadership structure. Blacks and women made impressive gains in their representation in state legislatures and Congress and in 1974 the voters elected two chicanos and one woman governors. In a similar vein, there was a marked expansion of white-collar unionism and of the readiness and willingness for clerical, technical, and professional employees in public and private bureaucracies to assert themselves and to secure protection for their rights and privileges. Previously passive or unorganized groups in the population now embarked on concerted efforts to establish their claims to opportunities, positions, rewards, and privileges, which they had not considered themselves entitled to before.

In a related and similar fashion, the 1960s also saw a reassertion of the primacy of equality as a goal in social, economic, and political life. The meaning of equality and the means of achieving it became

central subjects of debate in intellectual and policy-oriented circles. What was widely hailed as the major philosophical treatise of the decade (Rawls, A Theory of Justice) defined justice in terms of equality. Differences in wealth and power were viewed with increased scepticism. The classic issue of equality of opportunity vs. equality of results was reopened for debate. The prevailing preoccupation with equality was well revealed in the titled produced by social theorists and sociologists over the course of three or four years.(2) This intellectual concern over equality did not, of course, easily transmit itself into widespread reduction of inequality in society. But the dominant thrust in political and social action was all clearly in that direction.

The causes of this democratic surge of the '60s could conceivably be: (a) either permanent or transitory; (b) either peculiar to the United States or more generally pervasive throughout the advanced industrialized world. The surge might, for instance, be the result of long-term social, economic, and cultural trends which were producing permanent changes in American society (often subsumed under the heading of the "emergence of post-industrial society") and which would in due course equally affect other advanced industrialized countries. Or it could have been the product of rapid social and cultural change or upheaval in the 1960s which in itself was transitory and whose political consequences would hence eventually fade, that is, it could have been the product of a transitory process of change rather than the product of the lasting results of change (e.g., the rapid expansion of higher education enrollments in the 1960s rather than the resulting high level of enrollment in higher education).

In addition, given the similarities which appeared to exist between the political temper and movements of the 1960s and earlier periods in American history, it is possible that the surge could have reflected a peculiarly American dynamic working itself out on a recurring or cyclical basis. On the other hand, it is also possible that the sources for the democratic surge were in a transient yet general crisis of the industrialized world which manifested itself in comparable if different ways in other Trilateral countries. Or, of course, most probable in fact and least satisfying in theory, the surge could be the product of a mixture of factors, permanent and transitory, specific and general.

Whatever its causes, the consequences of the democratic surge of the 1960s will be felt for years to come. The analysis here focuses on the immediate -- and somewhat contradictory -- effects of the democratic surge on government. The basic point is this: The vitality of democracy in the United States in the 1960s produced a substantial increase in governmental activity and a substantial decrease in governmental authority. By the early 1970s Americans were progressively demanding and receiving more benefits from their government and yet having less confidence in their government than they had a decade earlier. And prardoxically, also, this working out of the democratic impulse was associated with the shift in the relative balance in the political system between the decline of the more political, interest-aggregating, "input" institutions of government (most notably, political parties and the Presidency), on the one hand, and the growth in the bureaucratic, regulating and implementing, "output" institutions of government, on the other. The vitality of democracy in the 1960s raised

questions about the governability of democracy in the 1970s. The expansion of governmental activities produced doubts about the economic solvency of government; the decrease in governmental authority produced doubts about the political solvency of government. The impulse of democracy is to make government less powerful and more active, to increase its functions and to decrease its authority. The questions to be discussed are: How deep are these trends? How can these seemingly contradictory courses be reconciled within the framework of the existing political system? What will be the consequences if they are not reconciled? If a balance is to be restored between governmental activity and governmental authority, what are the consequences of this restoration for the democratic surge and movement of the 1960s? Does an increase in the vitality of democracy necessarily have to mean a decrease in the governability of democracy?

II. The Expansion of Governmental Activity

The structure of governmental activity in the United States -- in terms of both its size and its content -- went through two major changes during the quarter century after World War II. The first change, the Defense Shift, was a response to the external Soviet threat of the 1940s; the second change, the Welfare Shift, was a response to the internal democratic surge of the 1960s. The former was primarily the product of elite leadership; the latter was primarily the result of popular expectations and group demands.

The year 1948 is an appropriate starting point for the analysis of these changes in the structure of governmental activity.* By that time governmental activity had adjusted from its wartime levels and forms; demobilization had been completed; the nation was setting forth on a new peacetime course. In that year, total governmental expenditures (federal, state and local) amounted to 20% of GNP; national defense expenditures were 4% of GNP; and governmental purchases of goods and services were 12% of GNP. During the next five years these figures changed drastically. The changes were almost entirely due to the onslaught of the Cold War and the perception eventually shared by the top executives of the government -- Truman, Acheson, Forrestal, Marshall, Harriman, Lovett -- that a major effort was required to counter the Soviet threat to the security of the West. The key turning points in the development of that perception included Soviet pressure on Greece and Turkey, the Czech coup, the Berlin blockade, the Communist conquest of China, the Soviet atomic explosion, and the North Korean attack on South Korea. In late 1949, a plan for major rearmament to meet this threat was drawn up within the executive branch. The top executive leaders, however, felt that neither Congress nor public opinion was ready to accept such a large-scale military build-up. These political obstacles were removed by the outbreak of the Korean War in June 1950.(3)

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*In this analysis, governmental activity will be measured primarily in terms of governmental expenditures. This indicator, of course, does not do justice to many types of governmental activity, such as regulatory action or the establishment of minimum standards (e.g., for automotive safety or pollution levels or school desegregation) which have major impact on the economy and society and yet do not cost very much. In addition, the analysis here will focus primarily not on absolute levels of governmental expenditures, which obviously expanded greatly both due to inflation and in real terms, but rather to the relations among expenditures, revenues, and the GNP and among different types of expenditures.

The result was a major expansion in U.S. military forces and a drastic reshaping of the structure of governmental expenditures and activity. By 1953 national defense expenditures had gone up from their 1948 level of $10.7 billion to $48.7 billion. Instead of 4% of GNP, they now constituted over 13% of GNP. Non-defense expenditures remained stable at 17% of GNP, thus making overall governmental expenditures 28% of GNP (as against 20% in 1948) and government purchases of goods and services 22% of GNP (as against 12% in 1948). The governmental share of the output of the American economy, in short, increased by about 80% during these five years, virtually all of it in the national defense sector.

Table 1

Governmental Spending in Relation to GNP

Year	All Govtl. Expenditures	Defense Expenditures	Non-Defense Expenditures	Purchase of Goods & Services
1948	20%	4%	16%	12%
1953	28	13	15	22
1960	27	9	18	20
1965	27	7	20	20
1971	32	7	25	22
1973	32	6	26	21
1974 preliminary	33	6	27	22

Source: Economic Report of the President, 1975, Washington, D.C., 1975.

With the advent of the Eisenhower Administration and the end of the Korean War, these proportions shifted somewhat and then settled into a relatively fixed pattern of relationships which remained markedly stable for over a decade. From 1954 to 1966, governmental expenditures were usually about 27% or 28% of GNP; government purchases of goods and services varied between 19% and 22%; and defense expenditures, with the exception of a brief dip in 1964 and 1965, were almost constantly stable at 9% to 10% of GNP. The basic pattern for this period was in effect:

	% of GNP
Governmental expenditures	28
Defense expenditures	9
Non-defense expenditures	19
Governmental purchases of goods and services	21

In the mid-1960's, however, the stability of this pattern was seriously disrupted. The Vietnam War caused a minor disruption, reversing the downward trend in the defense proportion of GNP visible in 1964 and 1965 and temporarily restored defense to 9% of GNP. The more significant and lasting change was the tremendous expansion of the non-defense activities of government. Between 1965 and 1974, total governmental expenditures rose from 27% to 33% of GNP; governmental purchases of goods and services, on the other hand, which had also increased simultaneously with total expenditures between 1948 and 1953, changed only modestly from 20% in 1965 to 22% in 1974. This difference meant, of course, that a substantial proportion of

the increase in governmental spending was in the form of transfer payments, e.g., welfare and social security benefits, rather than additional governmental contributions to the Gross National Product. Non-defense expenditures which had been 20% of GNP in 1965 were 25% of GNP in 1971 and an estimated 27% of GNP in 1974. Defense spending went down to 7% of GNP in 1971 and 6% in 1974. Back in 1948, defense spending had been less than 20% of total governmental spending. At the peak of the defense build-up in 1953 it amounted to 43% of the total, and during the long period of stable relationships in the 1950s and 1960s, defense accounted for about 33% of total governmental spending. Under the impact of the Welfare Shift of the late 1960s, however, the defense proportion of total governmental spending again dropped down to less than one-fifth of total governmental spending, that is, to the relationship which had prevailed in 1948 before the military implications of the Cold War had become evident.

The extent of the Welfare Shift in the scope and substance of governmental activity can also be seen by comparing the changes in governmental expenditures during the two decades of the 1950s and 1960s. Between 1950 and 1960, total governmental expenditures rose by $81.0 billion, of which $29.1 billion or roughly 36% was for defense and international relations. Between 1960 and 1971, governmental expenditures increased by $218.1 billion, of which, however, only $33.4 billion or roughly 15% were accounted for by defense and international relations while expenditures for domestic programs grew by $184.7 billion. This growth in domestic spending is also reflected in a change in the relative shares of federal, state, and local governments in total governmental expenditures. In 1960 the

federal government share of total government spending, 59.7%, was virtually identical with what it had been ten years earlier, 60.3%. By 1971, the relative growth in state and local spending had dropped the federal share of governmental expenditures down to 53.8% of total govertmental expenditures. (4)

The major increases in government spending during the 1960s occurred in education, social security and related insurance benefits, public welfare, interest, health and hospitals. In 1960, government in the United States spent about 125% more for defense than it did for education; in 1972 it spent less than 15%. In 1960, defense spending was about four-and-a half times that for social security; in 1972 it was less than twice as much. In 1960 ten times as much was spent on defense as on welfare; in 1972 the ratio was less than four to one. Even in terms of federal government spending alone, the same trends were visible. In FY 1960, total foreign affairs spending accounted for 53.7% of the federal budget, while expenditures for cash income maintenance accounted for 22.3%. In FY 1974, according to Brookings Institution estimates, almost equal amounts were spent for both these purposes, with foreign affairs taking 33% and cash income maintenance 31% of the federal budget. (5) Across the board, the tendency was for massive increases in governmental expenditures to provide cash and benefits for particular individuals and groups within society rather than in expenditures designed to serve national purposes vis-a-vis the external environment.

The Welfare Shift, like the Defense Shift before it, underlined the close connection between the structure of governmental activity and the trend of public opinion. During the 1940s and early 1950s, the American

Table 2

Governmental Revenues and Expenditures for Major Functions
(billions of dollars)

	1950	1960	1965	1970	1971	1972
Total Revenues	$66.7	$153.1	$202.6	$333.8	$342.5	$381.8
Total Expenditures	70.3	151.3	205.6	333.0	369.4	397.4
Defense & internatl.	18.4	47.5	55.8	84.3	80.9	79.3
Education	9.6	19.4	29.6	55.8	64.0	70.0
OASI and other ins.	.7	10.8	16.6	35.8	42.0	46.9
Interest on genl. debt	4.9	9.3	11.4	18.4	21.7	23.1
Public Welfare	3.0	4.5	6.4	17.5	20.4	23.6
Health & hospitals	2.8	5.2	7.7	13.6	14.8	17.0
Natural resources	5.0	8.4	11.0	11.5	13.7	14.2

Source: U.S. Bureau of the Census, Statistical Abstract of the United States: 1974 (Washington: Government Printing Office, 1974), p.246.

public willingly approved massive programs for defense and international affairs. When queried as to whether the military budget or the size of the armed forces should be increased, decreased, or remain about the same, the largest proportions of the public almost consistently supported a greater military effort. In March 1950, for instance, before the Korean War and the NSC 68 rearmanent effort, 64% of the public thought defense spending should be increased, 7% thought it should be decreased, 24% thought it should remain about the same. These were typical results of the early years of the Cold War. During the middle and later 1950s, after defense spending had in fact expanded greatly, support for still further expansion eased somewhat. But even then, only a small minority of the public supported a decrease, with the largest group approving the existing level of defense effort. Popular support for other government programs, including all domestic programs and foreign aid, almost always was substantially less than support for defense spending.(6)

During the mid-1960s, at the peak of the democratic surge and of the Vietnam war, public opinion on these issues changed drastically. When asked in 1960, for instance, how they felt about current defense spending, 18% of the public said the U.S. was spending too much on defense, 21% said too little, and 45% said the existing level was about right. Nine years later, in July 1969, the proportion of the public saying that too much was being spent on defense had zoomed up from 18% to 52%; the proportion thinking that too little was being spent on defense had dropped from 21% to 8%; and the proportion approving the current level had declined from 45% to 31%. This new pattern of opinion on defense remained relatively

stable during the late 1960s and early 1970s. Simultaneously, public opinion became more favorable to governmental spending for domestic programs. When polled in 1974, for instance, on whether spending should be increased, decreased, or remain about the same for some twenty-three governmental programs, the composite scores (where 50 represents maintaining the existing level) for domestic programs were all in favor of an increase, ranging from a score of 51 for welfare programs for low income families up to scores of 84 and 86 for helping the elderly and developing greater self-sufficiency in energy. All five foreign affairs programs rated much lower than any domestic program, with their scores ranging from 39 for total defense spending down to 20 for military aid for allies. For every foreign affairs program, the weight of opinion was thus in favor of reduced rather than higher spending. The overall average score for domestic programs was 70, for foreign policy and defense programs it was only 29.(7) During the 1960s, a dramatic and large-scale change thus took place in public opinion with respect to governmental activity.

So far, our analysis has focused on the relations between governmental expenditures and GNP and between different types of expenditures. The growth in expenditures, however, also raises important issues concerning the relation between expenditures and revenues. After the Defense Shift, during the 1950s and early 1960s, governmental expenditures normally exceeded governmental revenue, but with one exception (1959, when the deficit was $15 billion), the gap between the two was not large in any single year. In the late 1960s, on the other hand, after the fiscal implications of the Welfare Shift had been felt, the overall governmental deficit took on new proportions. In 1968 it was $17 billion and in 1971 $27 billion. The

cumulative deficit for the five years from 1968 through 1971 was $43 billion. The federal government was, of course, the principal source of the overall government deficit. In nine of the ten fiscal years after 1965 the federal budget showed a deficit; the total deficit for those ten years came to an estimated $111.8 billion, of which $74.6 billion came in the five years from FY 1971 through FY 1975.(8)

The excess of expenditures over revenues was obviously one major source of the inflation which plagued the United States, along with most other industrial countries, in the early 1970s. Inflation was, in effect, one way of paying for the new forms of government activity produced by the Welfare Shift. The extent of the fiscal gap, its apparent inevitability and intractableness, and its potentially destabilizing effects were sufficiently ominous for the existing system to generate a new variety of Marxist analysis of the inevitable collapse of capitalism. "The fiscal crisis of the capitalist state," in James O'Connor's words, "is the inevitable consequence of the structural gap between state expenditures and revenues." As Daniel Bell suggests, in effect this argument represents a neo-neo-Marxism: the original Marxism said the capitalist crisis would result from anarchical competition; neo-Marxism said it would be the result of war and war-expenditures, the garrison state; now, the most recent revision, taking into considertation the Welfare Shift, identifies the expansion of social expenditures as the source of the fiscal crisis of capitalism.(9) What the Marxists mistakenly attribute to capitalist economics, however, is, in fact, a product of democratic politics.

The Defense Shift involved a major expansion of the national effort devoted to military purposes followed by slight reduction and stabilization of the relation of that activity to total national product. The Welfare Shift has produced a comparable expansion and redirection of governmental activity. The key question is to what extent this expansion will be limited in scope and time, as was the defense expansion, or to what extent it will be an open-ended, continuing phenomenon. Has non-defense governmental spending peaked at about 30% of GNP? Or will it increase further or, conceivably, decrease? The beneficiaries of governmental largesse coupled with governmental employees constitute a substantial portion of the public. Their interests clearly run counter to those groups in the public which receive relatively little in cash benefits from the government but must contribute taxes to provide governmental payments to other groups in society. On the one hand, history suggests that the recipients of subsidies, particularly producer groups, have more specific interests, are more self-conscious and organized, and are better able to secure access to the political decision points than the more amorphous, less well-organized, and more diffuse taxpaying and consumer interests. On the other hand, there is also some evidence that the conditions favorable to large-scale governmental programs which existed in the 1960s may now be changing significantly. The political basis of the Welfare Shift was the expansion in political participation and the intensified commitment to democratic and egalitarian norms which existed in the 1960s. Levels of political participation in campaigns have leveled off, and other forms of political participation would appear to have declined. Some polls suggest that the

public has become more conservative in its attitudes towards government generally and more hostile towards governmental spending in particular. In 1972, for instance, for the first time, as many liberals as conservatives agreed with the proposition that government is too big. At the same time, liberals continued to be heavily in favor of new government programs, such as national health insurance, and which conservatives opposed. If, however, the general scepticism about what government can accomplish remains a significant component of public opinion, the pattern of governmental activity which the Welfare Shift produced by the early 1970s could well remain relatively stable for the immediate future.

III. The Decline in Governmental Authority

1. The Democratic Challenge to Authority

The essence of the democratic surge of the 1960s was a general challenge to existing systems of authority, public and private In one form or another, this challenge manifested itself in the family, the university, business, public and private associations, politics, the governmental bureaucracy, the military services. People no longer felt the same compulsion to obey those whom they had previously considered superior to themselves in age, rank, status, expertise, character, or talents. Within most organizations, discipline eased and differences in status became blurred. Each group claimed its right to participate equally -- and perhaps more than equally -- in the decisions which affected itself. More precisely, in American society, authority had been commonly based on: organizational position, economic wealth, specialized expertise, legal competence, or electoral representativeness. Authority based on hierarchy, expertise, and wealth all, obviously, ran counter to the democratic

and egalitarian temper of the times, and during the 1960s, all three came under heavy attack. In the university, students, who lacked expertise, came to participate in the decision-making process on many important issues. In the government, organizational hierarchy weakened, and organizational subordinates more readily acted to ignore, to criticize, or to defeat the wishes of their organizational superiors. In politics generally, the authority of wealth was challenged and successful efforts made to introduce reforms to exposé and to limit its influence. Authority derived from legal and electoral sources did not necessarily run counter to the spirit of the times, but when it did, it too was challenged and restricted. The commandments of judges and the actions of legislatures were legitimate to the extent that they promoted, as they often did, egalitarian and participatory goals. "Civil disobedience," after all, was the claim to be morally right in disobeying a law which was morally wrong. It implied that the moral value of law-abiding behavior in a society depended upon what was in the laws, not on the procedural due process by which they were enacted. Finally, electoral legitimacy was, obviously, most congruent with the democratic surge, but even so, it too at times was questioned, as the value of "categorical" representativeness was elevated to challenge the principle of electoral representativeness.

The questioning of authority pervaded society. In politics, it manifested itself in a decline in public confidence and trust in political leaders and institutions, a reduction in the power and effectiveness of political institutions such as the political parties and Presidency, a new importance for the "adversary" media and "critical" intelligentsia in public affairs, and a weakening of the coherence, purpose, and self-confidence of political leadership.

2. Decline in Public Confidence and Trust

In a democracy, the authority of governmental leaders and institutions presumably depends in part on the extent to which the public has confidence and trust in those institutions and leaders. During the 1960s that confidence and trust declined markedly in the United States. That decline can, in turn, be related back to a somewhat earlier tendency towards ideological and policy polarization which, in turn, had its roots in the expansion of political participation in the late 1950s and early 1960s. The democratic surge involved a more politically active citizenry, which developed increased ideological consistency on public issues, and which then lost its confidence in public institutions and leaders when governmental policies failed to correspond to what they desired. The sequence and direction of these shifts in public opinion dramatically illustrates how the vitality of democracy in the 1960s (as manifested in increased political participation) produced problems for the governability of democracy in the 1970s (as manifested in the decreased public confidence in government).

During the 1960s public opinion on major issues of public policy tended to become more polarized and ideologically structured, that is, people tended to hold more consistent liberal or conservative attitudes on public policy issues. Between 1956 and 1960, for instance, an index of ideological consistency for the average American voter hovered about .15; in 1964 it more than doubled to .40 and remained at similar levels through 1972.(10) Thus, the image of the American voter as independently making up his mind in ad hoc fashion on "the merits" of different issues became rather far removed from actuality.

This pattern of developing polarization and ideological consistency had its roots in two factors. First, those who are more active in politics are also more likely to have consistent and systematic views on policy issues. The increase in political participation in the early 1960s was thus followed by heightened polarization of political opinion in the mid-1960s. The increase in polarization, in turn, often involved higher levels of group consciousness (as among blacks) which then stimulated more political participation (as in the white backlash).

Second, the polarization was clearly related to the nature of the issues which became the central items on the political agenda of the mid-1960s. The three major clusters of issues which then came to the fore were: social issues, such as use of drugs, civil liberties, the role of women; racial issues, involving integration, busing, government aid to minority groups, urban riots; military issues, involving primarily, of course, the war in Vietnam but also the draft, military spending, military aid programs, and the role of the military-industrial complex more generally. All three sets of issues, but particularly the social and racial issues, tended to generate high correlations between the stands which people took on individual issues and their overall political ideology. On more strictly economic issues, on the other hand, ideology was a much less significant factor. Thus, to preduct an individual's position on the legalization of marijuana or school integration or the size of the defense budget, one would want to ask him whether he considered himself a liberal, a moderate, or a conservative. To predict his stand on federally financed health insurance, one should ask him whether he was Democrat, Independent, or Republican. (11)

This polarization over issues in the mid-1960s in part, at least, explains the major decline in trust and confidence in government of the later 1960s. Increasingly, substantial portions of the American public took more extreme positions on policy issues; those who took more extreme positions on policy issues, in turn, tended to become more distrustful of government.(12) Polarization over issues generated distrust about government, as those who had strong positions on issues became dissatisfied with the ambivalent, compromising policies of government. Political leaders, in effect, alienated more and more people by attempting to please them through the time-honored traditional politics of compromise.

At the end of the 1950s, for instance, about three-quarters of the American people thought that their government was run primarily for the benefit of the people and only 17% thought that it primarily responded to what "big interests" wanted. These proportions steadily changed during the 1960s, stabilizing at very different levels in the early 1970s. By the latter half of 1972, only 38% of the population thought that government was "run for the benefit of all the people" and a majority of 53% thought that it was "run by a few big interests looking out for themselves." (see Table 3.) In 1959, when asked what they were most proud of about their country, 85% of Americans (as compared to 46% of Britons, 30% of Mexicans, 7% of Germans, and 3% of Italians, in the same comparative survey) mentioned their "political institutions." By 1973, however, 66% of a national sample of Americans said that they were dissatisfied by the way in which their country was governed.(13) In similar fashion, in 1958, seventy-one percent of the population felt that they could trust the

Table 3

Government Run by Few Big Interests or for Benefit of All

	1958	1964	1966	1968	1970	1972-Pre	1972-Post
For benefit of all	76.3%	64.0%	53.2%	51.2%	50.1%	43.7%	37.7%
Few big interests	17.6	28.6	33.3	39.5	40.8	48.8	53.3
Other, depends	1.0	4.0	6.3	4.8	5.0	2.5	2.5
Don't know	5.1	3.5	7.2	4.5	4.1	5.1	6.5

Questions: (1) 1958: Do you think that the high-up people in government give everyone a fair break whether they are big shots or just ordinary people, or do you think some of them pay more attention to what the big interests want?

(2) Other years: Would you say the government is pretty much run by a few big interests looking out for themselves or that it is run run for the benefit of all the people?

Source: University of Michigan, Center for Political Studies, election surveys.

government in Washington to do what was right "all" or "most" of the time, while only 23% said that they could trust it only "some" or "none" of the time. By late 1972, however, the percentage which would trust the national government to do what was right all or most of the time had declined to 52%, while that which thought it would do what was right only some or none of the time had doubled to 45%. (See Table 4.) Again, the pattern of change shows a high level of confidence in the 1950s, a sharp decline of confidence during the 1960s, and a leveling off at much reduced levels of confidence in the early 1970s.

The precipitous decline in public confidence in their leaders in the latter part of the 1960s and the leveling off or partial restoration of confidence in the early 1970s can also be seen in other data which permit some comparison between attitudes towards government and other major institutions in society. Between 1966 and 1971 the proportion of the population having a "great deal of confidence" in the leaders of each of the major governmental institutions was cut in half. (See Table 5.) By 1973, however, public confidence in the leadership of the Congress, the Supreme Court, and the military had begun to be renewed from the lows of two years earlier. Confidence in the leadership of the executive branch, on the other hand, was -- not surprisingly -- at its lowest point. These changes of attitudes toward governmental leadership did not occur in a vacuum, but were part of a general weakening of confidence in institutional leadership. The leadership of the major non-governmental institutions in society who had enjoyed high levels of public confidence in the

Table 4

Trust in the National Government

	1958	1964	1966	1968	1970	1972-Pre	1972-Post
Just about always	15.9%	14.3%	16.9%	7.3%	6.5%	6.8%	5.3%
Most of the time	57.1	62.3	48.2	54.2	47.3	45.3	47.8
Some of the time	23.4	21.9	28.2	36.4	44.2	45.1	44.3
Almost never	-	-	2.5	.2	.3	.5	.6
Depends	-	-	1.3	-	-	-	-
Don't know	3.6	1.5	2.9	2.0	1.7	2.2	2.1

Question: How much (of the time-1958, 1964) do you think we can trust the government in Washington to do what is right - just about always, most of the time, or only some of the time (or almost never - 1966)?

Source: University of Michigan, Center for Political Studies, election surveys.

Table 5

Proportion of Public Expressing "Great Deal of Confidence" in Leadership of Institutions

	1966	1971	1972	1973	Change 1966-1973
Government					
Federal executive	41%	23%	27%	19%	-22
Congress	42	19	21	29	-13
Supreme Court	51	23	28	33	-18
Military	62	27	35	40	-22
Social Institutions					
Major companies	55	27	27	29	-26
Organized labor	22	14	15	20	- 2
Higher education	61	27	33	44	-17
Medicine	72	61	48	57	-15
Organized religion	41	27	30	36	- 5
Media					
Press	29	18	18	30	+ 1
Television news	25	22	17	41	+16

Question: As far as people running these institutions are concerned, would you say you have a great deal of confidence, only some confidence, or hardly any confidence in them?

Source: Louis Harris and Associates, Confidence and Concern: Citizens View American Government. Committee Print, U.S. Senate, Committee on Government Operations, Subcommittee on Intergovernmental Relations, 93d Congress, 1st Session, December 3, 1973.

mid-1960s -- such as large corporation, higher educational institutions, and medicine -- also suffered a somewhat similar pattern of substantial decline and partial recovery. Significantly, only the leadership of the press and television news enjoyed more confidence in 1973 than they had in 1966, and only in the case of television was the increase a substantial and dramatic one. In 1973, the institutional leaders, in which the public had the greatest degree of confidence, were, in declining order of confidence: medicine, higher education, television news, and the military.

The late 1960s and early 1970s also saw a significant decline from the levels of the mid-1960s in the sense of political efficacy on the part of large numbers of people. In 1966, for instance, 37% of the people believed that what they thought "doesn't count much anymore"; in 1973, a substantial majority of 61% of the people believed this. Similarly, in 1960 42% of the American public scored "high" on a political efficacy index developed by the Michigan Survey Research Center and only 28% of the population scored "low." By 1968, however, this distribution had changed dramatically with 38% of the people scoring "high" and 44% of the population scoring "low."(14) This decline in political efficacy coincided with and undoubtedly was closely related to the simultaneous decline in the confidence and trust which people had in government. As of the early 1970s, however, the full impact of this change in political efficacy upon the overall level of political participation had only partially begun to manifest itself.

In terms of traditional theory about the requisites for a viable democratic polity, these trends of the 1960s thus end up as a predominantly

negative but still mixed report. On the one side, there is the increasing distrust and loss of confidence in government, the tendencies towards the polarization of opinion, and the declining sense of political efficacy. On the other side, there is the early rise in political participation over previous levels. As we have suggested, these various trends may well all be interrelated. The increases in participation first occurred in the 1950s; these were followed by the polarization over racial, social, and military issues in the mid-1960s; this, in turn, was followed by the decrease in confidence and trust in government and in political efficacy in the late 1960s. There is reason be believe that this sequence was not entirely accidental.(15) Those who are active in politics are likely to have more systematic and consistent views on political issues, and those who have such views are, as we have shown above, likely to become alienated if government action does not reflect their views. This logic also would suggest that those who are most active politically should be most dissatisfied with the political system. In the past, exactly the reverse has been the case: the active political participants have had highly positive attitudes towards government and policies. Now, however, this relationship seems to be weakening, and those who have low trust in government are no more likely to be politically apathetic than those with high trust in government.(16)

The decline in political efficacy could also produce a decline in levels of political participation. If this should be the case, one might well think of a cyclical process of interaction in which:

(a) Increased political participation leads to increased policy polarization within society;

(b) Increased policy polarization leads to increasing distrust and decreasing political efficacy among individuals;

(c) decreasing political efficacy leads to decreased political participation.

In addition, change in the principal issues on the political agenda could lead to decreasing ideological polarization. The fire has subsided with respect to many of the heated issues of the 1960s, and at the moment they have been displaced on the public agenda by overwhelming preoccupation with economic issues, first inflation and then recession and unemployment. The positions of people on economic issues, however, are not as directly related to their basic ideological inclinations as their positions on other issues. In addition, inflation and unemployment are like crime; no one is in favor of them, and significant differences can only appear if there are significantly different alternative programs for dealing with it. Such programs, however, have been slow in materializing, and hence the salience of economic issues may give rise to generalized feelings of lack of confidence in the political system but not to dissatisfaction rooted in the failure of government to follow a particular set of policies. Such generalized alienation could, in turn, reinforce tendencies towards political passivity engendered by the already observable decline in political efficacy. This suggests that the democratic surge of the 1960s could well generate its own countervailing forces, that an upsurge of political participation produces conditions which favor a downswing in political participation.

3. The Decay of the Party System

The decline in the role of political parties in the United States in the 1960s can be seen in a variety of ways.

(a) Party identification has dropped sharply, and the proportion of the public which considers itself Independent in politics has correspondingly increased. In 1972 more people identified themselves as Idependent then identified themselves as Republican, and among those under age 30 there were more Independents than Republicans and Democrats combined. Younger voters always tend to be less partisan than older voters. But the proportion of Independents among this age group has gone up sharply. In 1950, for instance, 28% of the 21-to-29 year old group identified themselves as Independent; in 1971, 43% of this age group did.(17) Thus, unless there is a reversal of this trend and a marked upswing in partisanship, substantially lower levels of party identification among the American electorate are bound to persist for at least another generation.

(b) Party voting has declined, and ticket-splitting has become a major phenomenon. In 1950 about 80% of the voters cast straight party ballots; in 1970 only 50% did.(18) Voters are thus more inclined to vote the man than to vote the party, and this, in turn, means that each candidate has to campaign primarily as an individual and sell himself to the voters in terms of his own personality and talents, rather than joining with the other candidates of his party in a collaborative partisan effort. Hence he must also raise his own money and create his own organization.

The phenomenon represented at the extreme by CREEP and its isolation from the Republican National Committee in the 1972 election is being duplicated in greater or lesser measure in every other electoral contest generally.

(c) Partisan consistency in voting is also decreasing, that is, voters are more likely to vote Republican in one election and Democratic in the next. At the national level, there is a growing tendency for public opinion to swing generally back and forth across the board, with relatively little regard to the usual differences among categorical voting groups. Four out of the six presidential elections since 1952 have been landslides. This phenomenon is a product of the weakening of party ties and the decline of regionalism in politics. In 1920, Richard Boyd has pointed out, Harding received about the same percentage of the popular vote that Nixon did in 1972, but Harding lost eleven states while Nixon lost only Massachusetts and the District of Columbia. (19) In a similar vein, the fact that the voters cast 60% of their votes for Nixon in 1972 did not prevent them from reelecting a Democratic Congress that year and then giving the Democrats an even more overwhelming majority in Congress two years later.

As the above figures suggest, the significance of party as a guide to electoral behavior has declined substantially. In part, but only in part, candidate appeal has taken its place. Even more important has been the rise of issues as a significant factor affecting voting behavior. Previously, if one wanted to predict how an individual would vote in a congressional or presidential election, the most important fact to know about him was his party identification. This is no longer the case.

In 1956 and 1960, party identification was three or four times as important as the views of the voter on issues in predicting how he would vote. In the 1964 and subsequent elections, this relationship reversed itself. Issue politics has replaced party politics as the primary influence on mass public behavior.(20) This is true, also, not only with respect to the public and electoral behavior but also with respect to congressmen and legislative behavior. Party is no longer as significant a guide as it once was to how congressmen will vote. In the House of Representatives, for instance, during Truman's second term (1949-1952), 54.5% of the roll call votes were party unity votes, in which a majority of one party opposes a majority of the other party. This proportion has declined steadily to the point where in Nixon's first term (1969-1972), only 31% of the roll call votes were party unity votes.(21)

The decline in the salience of party for the mass public is also, in some measure, reflected in the attitudes of the public toward the parties as institutions. In 1972, the public was asked which of the four major institutions of the national government (President, Congress, Supreme Court, political parties) had done the best job and the worst job in the past few years and which was most powerful and least powerful. On both dimensions, the differences among the three formal branches of the national government were, while clearly observable, not all that great. Not one of the others, however, came close to the political parties as the voters' choice for doing the worst job and being the least powerful. (See Table 6.) While these data could conceivably be interpreted in a variety of ways, when they are viewed in the context of the other evidence

Table 6

Attitudes Towards Governmental Institutions, 1972

	Best Job	Most Powerful	Worst Job	Least Powerful
President	39%	31%	11%	8%
Congress	28	32	7	6
Supreme Court	13	26	23	9
Political Parties	3	4	43	62

Questions: (1) Which of the parts of the government on this list do you think has done the best (worst) job in the past couple of years?

(2) Which part of the government on the list would you say is the most (least) powerful?

Source: University of Michigan, Center for Political Studies, 1972 post-election survey.

on the decline of partisan loyalty, they strongly suggest that the popular attitude towards parties combines both disapproval and contempt. As might be expected, these attitudes are particularly marked among those under 25 years of age. In 1973, for instance, 61% of college youth and 64% of non-college youth believed that political parties needed to be reformed or to be eliminated; in comparison, 54% of the college youth and 45% of the non-college youth believed big business needed to be reformed or eliminated. (22)

Not only has the mass base of the parties declined but so also has the coherence and strength of party organization. The political party has, indeed, become less of an organization, with a life and interest of its own, and more of an arena in which other actors pursue their interests. In some respects, of course, the decline of party organization is an old and familiar phenomenon. The expansion of government welfare functions beginning with the New Deal, the increased pervasiveness of the mass media, particularly television, and the higher levels of affluence and education among the public have all tended over the years to weaken the traditional bases of party organization. During the 1960s, however, this trend seemed to accelerate. In both major parties, party leaders found it difficult to maintain control of the most central and important function of the party: the selection of candidates for public office. In part, the encroachment on party organization was the result of the mobilization of issue constituencies by issue-oriented candidates, of whom Goldwater, McCarthy, Wallace, and McGovern were the principal examples on the national level. In part, however, it was simply a reaction against party politics

and party leaders. Endorsements by party leaders or by party conventions carried little positive weight and were often a liability. The "outsider" in politics, or the candidate who could make himself appear to be an outsider, had the inside road to political office. In New York in 1974, for instance, four of five candidates for state-wide office endorsed by the state Democratic convention were defeated by the voters in the Democratic primary; the party leaders, it has been aptly said, did not endorse Hugh Carey for governor because he could not win, and he won because they did not endorse him. The lesson of the 1960s was that American political parties were extraordinarily open and extraordinarily vulnerable organizations, in the sense that they could be easily penetrated and, even, captured by highly motivated and well-organized groups with a cause and a candidate.

The trends in party reform and organization in the 1960s were all designed to open the parties even further and to encourage fuller participation in party affairs. In some measure, these reforms could, however, conceivably mitigate the peculiar paradox in which popular participation in politics was going up, but the premier organization designed to structure and organize that participation, the political party, was declining. At the same time, the longer term effect of the reforms could be very different from that which was intended. In the democratic surge during the Progressive era at the turn of the century, the direct primary was widely adopted as a means of insuring popular control of the party organization. In fact, however, the primary reinforced the power of the political bosses whose followers in the party machine always voted in the primaries. In similar fashion, the reforms within the Democratic Party to insure the representation

of all significant groups and viewpoints in party conventions appeared likely to give the party leaders at the next national convention new influence over the choice of the presidential nominee.

As we have indicated, the signs of decay in the American party system have their parallels in the party systems of other industrialized democratic countries. In addition, however, the developments of the 1960s in the American party system can also be viewed in terms of the historical dynamics of American politics. According to the standard theory of American politics, a major party realignment occurs, usually in conjunction with a "critical election," approximately every twenty-eight to thirty-six years: 1800, 1828, 1860, 1896, 1932.(23) In terms of this theory, such a realignment was obviously due about 1968. In fact, many of the signs of party decay which were present in the 1960s have also historically accompanied major party realignments: a decline in party identification, increased electoral volatility, third party movements, the loosening of the bonds between social groups and political parties, and the rise of new policy issues which cut across the older cleavages. The decay of the old New Deal party system was clearly visible, and the emergence of a new party system was eagerly awaited, at least by politicians and political analysts. Yet neither in 1968 nor in 1972 did a new coalition of groups emerge to constitute a new partisan majority and give birth to a new party alignment. Nor did there seem to be any significant evidence that such a realignment was likely in 1976 -- by which time it would be eight-to-sixteen years "overdue" according to the "normal" pattern of party system evolution.

Alternatively, the signs of party decomposition could be interpreted as presaging not simply a realignment of parties within an ongoing system but rather a more fundamental decay and potential dissolution of the party system. In this respect, it could be argued that the American party system emerged during the Jacksonian years of the mid-nineteenth century, that it went through realignments in the 1850s, 1890s, and 1930s, but that it reached its peak in terms of the popular commitment and organizational strength in the last decades of the nineteenth century, and that since then it has been going through a slow, but now accelerating, process of disintegration. To support this proposition, it could be argued that political parties are a political form peculiarly suited to the needs of industrial society and that the movement of the United States into a post-industrial phase hence means the end of the political party system as we have known it. If this be the case, a variety of critical issues must be faced. Is democratic government possible without political parties? If political participation is not organized by means of parties, how will it be organized? If parties decline, will not popular participation also drop significantly? In less developed countries, the only significant alternative to party government is military government. Do the highly developed countries have a third alternative?

4. The Shifting Balance Between Government and Opposition

The governability of a democracy depends upon the relation between the authority of its governing institutions and the power of its opposition institutions. In a parliamentary system, the authority of the cabinet

depends upon the balance of power between the governing parties and the opposition parties in the legislature. In the United States, the authority of government depends upon the balance of power between a broad coalition of governing institutions and groups, which includes but transcends the legislature and other formal institutions of government, and the power of those institutions and groups which are committed to opposition. During the 1960s the balance of power between government and opposition shifted significantly. The central governing institution in the political system, the Presidency, declined in power; institutions playing opposition roles in the system, most notably the national media and Congress, significantly increased their power.

"Who governs?" is obviously one of the most important questions to ask concerning any political system. Even more important, however, may be the question: "Does anybody govern?" To the extent that the United States was governed by anyone during the decades after World War II, it was governed by the President acting with the support and cooperation of key individuals and groups in the Executive Office, the federal bureaucracy, Congress, and the more important businesses, banks, law firms, foundations, and media, which constitute the private Establishment. In the twentieth century, when the American political system has moved systematically with respect to public policy, the direction and the initiative have come from the White House. When the President is unable to exercise authority, when he is unable to command the cooperation of key decision-makers elsewhere in society and government, no one else has been able to supply comparable purpose and initiative. To the extent that the United States has been

governed on a national basis, it has been governed by the President. During the 1960s and early 1970s, however, the authority of the President declined significantly, and the governing coalition which had, in effect, helped the President to run the country from the early 1940s down to the early 1960s began to disintegrate.

These developments were, in some measure, a result of the extent to which all forms of leadership, but particularly those associated with or tainted by politics, tended to lose legitimacy in the 1960s and early 1970s. Not only was there a decline in the confidence of the public in political leaders, but there was also a marked decline in the confidence of political leaders in themselves. In part, this was the result of what were perceived to be significant policy failures: the failure "to win" the war in Indochina; the failure of the Great Society's social programs to achieve their anticipated results; the intractability of inflation. These perceived failures induced doubts among political leaders as to the effectiveness of their rule. In addition, and probably more importantly, political leaders also had doubts about the morality of their rule. They too shared in the democratic, participatory, and egalitarian ethos of the times, and hence had questions about the legitimacy of hierarchy, coercion, discipline, secrecy, and deception, all of which are, in some measure, inescapable attributes of the process of government.

Probably no development of the 1960s and 1970s has greater import for the future of American politics than the decline in the authority, status, influence, and effectiveness of the Presidency. The effects of the weakening of the Presidency will be felt throughout the body politic for years to come. This decline of the Presidency manifests itself in a variety of ways.

- No one of the last four Presidents has served a full course of eight years in office. One President has been assassinated, one forced out of office because of opposition to his policies, and another forced out because of opposition to him personally. Short terms in office reduce the effectiveness of the President in dealing with both enemies and allies abroad and bureaucrats and congressmen at home. The greatest weakness in the Presidency in American history was during the period from 1848 to 1860, during which twelve years four men occupied the office and none of them was reelected.

- At present, for the first time since the Jacksonian Revolution, the United States has a President and a Vice President who are not the product of a national electoral process. Both the legitimacy and the power of the Presidency are weakened to the extent that the President does not come into office through an involvement in national politics which compels him to mobilize support throughout the country, negotiate alliances with diverse economic, ethnic, and regional groups and defeat his adversaries in intensely fought state and national electoral battles. The current President is a product of Grand Rapids and the House -- not of the nation. The United States has almost returned, at least temporarily, to the relations between Congress and President which prevailed during the congressional caucus period in the second decade of the nineteenth century.

- Since Theodore Roosevelt, at least, the Presidency has been viewed as the most popular branch of government and that which is most likely to provide the leadership for progressive reform. Liberals, progressives, intellectuals have all seen the Presidency as the key to change in American politics, economics and society. The great Presidents have been the strong

Presidents, who stretched the legal authority and political resources of the office to mobilize support for their policies and to put through their legislative program. In the 1960s, however, the tide of opinion dramatically reversed itself: those who previously glorified presidential leadership now warn of the dangers of presidential power.

- While much was made in the press and elsewhere during the 1960s about the dangers of the abuses of Presidential power, this criticism of Presidential power was, in many respects, evidence of the decline of Presidential power. Certainly the image which both Presidents Johnson and Nixon had of their power was far different, and probably more accurate, if only because it was self-fulfilling, than the images which the critics of the Presidency had of Presidential power. Both Johnson and Nixon saw themsleves as isolated and beleaguered; surrounded by hostile forces in the bureaucracy and the Establishment. Under both of them, a feeling almost of political paranoia pervaded the White House: a sense that the President and his staff were "an island" in a hostile world. On the one hand, these feelings of suspicion and mistrust led members of the President's staff to engage in reckless, illegal, and self-defeating actions to counter his "enemies"; on the other hand, these feelings also made it all the more difficult for them to engage in the political compromises and to exercise the political leadership necessary to mobilize his supporters.

- During the late 1960s and early 1970s, Congress and the courts began to impose a variety of formal restrictions on Presidential power, in the form of the War Powers Act, the budgetary reform act, the limits on Presidential impoundment of funds, and similar measures.

- At the same time, and more importantly, the effectiveness of the President as the principal leader of the nation declined also as a result of the decline in the effectiveness of leadership at other levels in society and government. The absence of strong central leadership in Congress (on the Rayburn-Johnson model, for instance) made it impossible for a President to secure support from Congress in an economical fashion. The diffusion of authority in Congress meant a reduction in the authority of the President. There was no central leadership with whom he could negotiate and come to terms. The same was true with respect to the Cabinet. The general decline in the status of cabinet secretaries was often cited as evidence of the growth in the power of the Presidency on the grounds that the White House Office was assuming powers which previously rested with the Cabinet. But in fact the decline in the status of cabinet secretaries made it more difficult for the President to command the support and cooperation of the executive bureaucracy; weak leadership at the departmental level produces weakened leadership at the Presidential level.

To become President a candidate has to put together an electoral coalition involving a majority of voters appropriately distributed across the country. He normally does this by: (a) developing an identification with certain issues and positions which bring him the support of key categorical groups -- economic, regional, ethnic, racial, religious; and (b) cultivating the appearance of certain general characteristics -- honesty, energy, practicality, decisiveness, sincerity, experience -- which appeal generally across the board to people in all categorical groups. Before the New Deal, when the needs of the national government in terms of policies, programs, and personnel were relatively small, the President normally relied on the members of his electoral coalition to

help him govern the country. Political leaders in Congress, in the state houses, and elsewhere across the country showed up in Washington to man the Administration, and the groups which comprised the electoral coalition acted to put through Congress the measures in which they were interested.

Since the 1930s, however, the demands on government have grown tremendously and the problems of constituting a governing coalition have multiplied commensurately. Indeed, once he is elected President, the President's electoral coalition has, in a sense, served its purpose. The day after his election the size of his majority is almost -- if not entirely -- irrelevant to his ability to govern the country. What counts then is his ability to mobilize support from the leaders of the key institutions in society and government. He has to constitute a broad governing coalition of strategically located supporters who can furnish him with the information, talent, expertise, manpower, publicity, arguments, and political support which he needs to develop a program, to embody it in legislation, and to see it effectively implemented. This coalition, as we have indicated, must include key people in Congress, the executive branch, and the private Establishment. The governing coalition need have little relation to the electoral coalition. The fact that the President as a candidate put together a successful electoral coalition does not insure that he will have a viable governing coalition.

For twenty years after World War II Presidents operated with the cooperation of a series of informal governing coalitions. Truman made a point of bringing a substantial number of non-partisan soldiers, Republican bankers, and Wall Street lawyers into his Administration. He

went to the existing sources of power in the country to get the help he needed in ruling the country. Eisenhower in part inherited this coalition and was in part almost its creation. He also mobilized a substantial number of Midwestern businessmen into his Administration and established close and effective working relationships with the Democratic leadership of Congress. During his brief Administration, Kennedy attempted to recreate a somewhat similar structure of alliances. Johnson was acutely aware of the need to maintain effective working relations with the Eastern Establishment and other key groups in the private sector, but, in effect, in 1965 and 1966 was successful only with respect to Congress. The informal coalition of individuals and groups which had buttressed the power of the three previous presidents began to disintegrate.

Both Johnson and his successor were viewed with a certain degree of suspicion by many of the more liberal and intellectual elements which might normally contribute their support to the Administration. The Vietnam War and, to a lesser degree, racial issues divided elite groups as well as the mass public. In addition, the number and variety of groups whose support might be necessary had increased tremendously by the 1960s. Truman had been able to govern the country with the cooperation of a relatively small number of Wall Street lawyers and bankers. By the mid-1960s, the sources of power in society had diversified tremendously, and this was no longer possible.

The most notable new source of national power in 1970, as compared to 1950, was the national media, meaning here the national TV-networks, the national news magazines, and the major newspapers with national reach

such as the Washington Post and the New York Times. It is a long-established and familiar political fact that within a city and even within a state, the power of the local press serves as a major check on the power of the local government. In the early twentieth century, the United States developed an effective national government, making and implementing national policies. Only in recent years, however, has there come into existence a national press with the economic independence and communications reach to play a role with respect to the President that a local newspaper plays with respect to a mayor. This marks the emergence of a very significant check on presidential power. In the two most dramatic domestic policy conflicts of the Nixon Administration -- the Pentagon Papers and Watergate -- organs of the national media challenged and defeated the national executive. The press, indeed, brought about what no other single institution or group, or combination of institutions and groups, had done previously in American history. It forced out of office a President who had been elected less than two years before by one of the largest popular majorities in American history. No future President can or will forget that fact.

The 1960s and early 1970s also saw a reassertion of the power of Congress. In part, this represented simply the latest phase in the institutionalized constitutional conflict between Congress and President; in part, also, of course, it reflected the fact that after 1968 President and Congress were controlled by different parties. In addition, however, these years saw the emergence, first in the Senate and then in the House, of a new generation of congressional activists willing to challenge established authority both in their own chambers as well as in the executive branch.

The new power of the media and the new assertiveness of Congress also had their impact on the relations between the executive branch and the President. During the Johnson and Nixon Administrations the White House attitude toward executive branch agencies often seemed to combine mistrust of them, on the one hand, and attempt to misuse them, on the other. In part, no doubt, the poisoning of the relationship between White House and executive agencies reflected the fact that not since Franklin Roosevelt has this country had a chief executive with any significant experience as a political executive. The record to date of former legislators and generals in the Presidency suggests they do not come to that office well equipped to motivate, energize, guide, and control their theoretical subordinates but actual rivals in the executive branch agencies. The growth in the power of the press and of Congress, inevitably strengthens the independence of bureaucratic agencies vis-a-vis the President. Those agencies are secondary contributors to the decline of Presidential power but primary beneficiaries of that decline.

The increased power of the national opposition, centered in the press and in Congress, undoubtedly is related to and is perhaps a significant cause of the critical attitudes which the public has towards the federal as compared to state and local government. While data for past periods are not readily available, certainly the impression one gets is that over the years the public has often tended to view state and local government as inefficient, corrupt, inactive, and unresponsive. The federal government, on the other hand, has seemed to command much greater confidence and trust, going all the way from early childhood images of the

"goodness" of the President to respect for the FBI, Internal Revenue Service, and other federal agencies having an impact on the population as models of efficiency and integrity. It would now appear that there has been a drastic reversal of these images. In 1973, a national sample was asked whether it then had more or less confidence in each of the three levels of government than it had had five years previously. Confidence in all three levels of government declined more than it rose, but the proportion of the public which reported a decline in confidence in the federal government (57%) was far higher than those reporting a decline in confidence in state (26%) or local (30%) government. Corroborating these judgments, only 11% and 14%, respectively, thought that local and state government had made their life worse during the past few years, while 28% and 27% of the population thought that local and state government had improved their life. In contrast, only 23% of the population thought that the federal government had improved their lives, while a whopping 37% thought it had made their lives worse. As one would expect, substantial majorities also went on record in favor of increasing the power of state government (59%) and of local government (61%). But only 32% wanted to increase the power of the federal government, while 42% voted to decrease its power.(24) The shift in the institutional balance between government and opposition at the national level thus corresponds neatly to the shift in popular attitudes towards government at the national level.

The balance between government and opposition depends not only on the relative power of different institutions, but also on their roles in the political system. The Presidency has been the principal national

governing institution in the United States; its power has declined. The power of the media and of Congress has increased. Can their roles change? By its very nature, the media is committed to an oppositional role. The critical question consequently concerns Congress. In the wake of a declining Presidency, can Congress organize itself to furnish the leadership to govern the country? During most of this century, the trends in Congress have been in the opposite direction. In recent years the increase in the power of Congress has outstripped an increase in its ability to govern.* If the institutional balance is to be redressed between government and opposition, the decline in Presidential power has to be reversed and the ability of Congress to govern has to be increased.

IV. The Democratic Distemper: Consequences

The vigor of democracy in the United States in the 1960s thus contributed to a democratic distemper, involving the expansion of governmental activity, on the one hand, and the reduction of governmental authority, on the other. This democratic distemper, in turn, had further important consequences for the functioning of the political system. The extent of these consequences was, as of 1974, still unclear, depending, obviously, on the duration and the scope of the democratic surge.

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*There are, it might be noted, some parallels between Congress and the Communist Parties in Europe, as described by Michel Crozier. Both have long been accustomed to playing opposition roles; with the decline in authority and power of other groups, the power of both these institutions is increasing; and one crucial question for the future -- and governability -- of democracy in Italy, France, and the United States is whether these oppositional bodies can adapt themselves to play responsible governing roles. Professor Crozier appears to be somewhat more optimistic about the European communists in this respect than I am about the American Congress.

The expansion of governmental activity produced budgetary deficits and a major expansion of total governmental debt from $336 billion in 1960 to $557 billion in 1971. These deficits contributed to inflationary tendencies in the economy. They also brought to the fore in the early 1970s the entire question of the incidence of the tax burden and the issues of tax reform. The major expansion of unionism in the public sector combined with the difficulty, if not the impossibility, of measuring productivity or efficiency for many bureaucratic activities made the salary and wage determinations for governmental employees a central focus of political controversy. Unionization produced higher wages and more vigorous collective bargaining to secure higher wages. Strikes by public employees became more and more prevalent: in 1961, only 28 strikes took place involving governmental workers; in 1970, there were 412 such strikes.(25) Governmental officials were thus caught between the need to avoid the disruption of public services from strikes by governmental employees for higher wages and the need to avoid imposing higher taxes to pay for the higher wages which the governmental employees demand. The easiest and obviously most prevalent way of escaping from this dilemma is to increase wages without increasing taxes and thereby to add still further to governmental deficits and to the inflationary spiral which will serve as the justification for demands for still higher wages. To the extent that this process is accompanied by low or negative rates of economic growth, tax revenues will be still further limited and the whole vicious cycle still further exacerbated.

At the same time that the expansion of governmental activity creates problems of financial solvency for government, the decline in governmental authority reduces still further the ability of government to deal effectively with these problems. The imposition of "hard" decisions imposing constraints on any major economic group is difficult in any democracy and particularly difficult in the United States where the separation of powers provides a variety of points of access to governmental decision-making for economic interest groups. During the Korean War, for instance, governmental efforts at wage and price control failed miserably, as business and farm groups were able to riddle legislation with loopholes in Congress and labor was able to use its leverage with the executive branch to eviscerate wage controls.(26) All this occurred despite the fact that there was a war on and the government was not lacking in authority. The decline in governmental authority in general and of the central leadership in particular during the early 1970s opens new opportunities to special interests to bend governmental behavior to their special purposes.

In the United States, as elsewhere in the industrialized world, domestic problems thus become intractable problems. The public develops expectations which it is impossible for government to meet. The activities -- and expenditures -- of government expand, but the success of government in achieving its goals seems dubious. In a democracy, however, political leaders in power need to score successes if they are going to stay in power. The natural result is to produce a gravitation to foreign policy, where successes, or seeming successes, are much more easily arranged than they are in domestic policy. Trips abroad, summit

meetings, declarations and treaties, rhetorical aggression, all produce the appearance of activity and achievement. The weaker a political leader is at home, the more likely he is to be travelling abroad. Nixon had to see Brezhnev in June of 1974, and Tanaka, for similar reasons, desperately wanted to see Ford in September of 1974. Despite the best efforts by statesmen to prop each other up at critical moments, there remains, nonetheless, only limited room for substantive agreements among nations among whom there are complex and conflicting interests. Consequently, the statesman in search of bolstering his standing at home by achievements abroad either has to make a non-achievement appear to be an achievement (which can be done successfully only a limited number of times) or he has to make an achievement which may have an immediate pay-off but which he and, more importantly, his country are likely to regret in the long run. The dynamics of this search for foreign policy achievements by democratic leaders lacking authority at home gives to dictatorships (whether communist party states or oil sheikdoms), which are free from such compulsions, a major advantage in the conduct of international relations.

The expansion of expenditures and the decrease in authority are also likely to encourage economic nationalism in democratic societies. Each country will have an interest in minimizing the export of some goods in order to keep prices down in its own society. At the same time, other interests are likely to demand protection against the import of foreign goods. In the United States, this has meant embargoes, as on the export of soybeans, on the one hand, and tariffs and quotas on the import of textiles, shoes, and comparable manufactured goods, on the other. A

strong government will not necessarily follow more liberal and internationalist economic policies, but a weak government is almost certain to be incapable of so doing. The resulting unilateralism could well weaken still further the alliances among the Trilateral countries and increase their vulnerability to economic and military pressures from the Soviet bloc.

Finally, a government which lacks authority and which is committed to substantial domestic programs will have little ability, short of a cataclysmic crisis, to impose on its people the sacrifices which may be necessary to deal with foreign policy problems and defense. In the early 1970s, as we have seen, spending for all significant programs connected with the latter purposes was far more unpopular than spending for any major domestic purpose. The U.S. government has given up the authority to draft its citizens into the armed forces and is now committed to providing the monetary incentives to attract volunteers with a stationary or declining percentage of the Gross National Product. At the present time, this would appear to pose no immediate deleterious consequences for national security. The question necessarily arises, however, as to whether in the future, if a new threat to security should materialize, as it inevitably will at some point, the government will possess the authority to command the resources and the sacrifices necessary to meet that threat.

The implications of these potential consequences of the democratic distemper extend far beyond the United States. For a quarter century the United States was the hegemonic power in a system of world order. The manifestations of the democratic distemper, however, have already stimulated uncertainty among allies and could well stimulate adventurism among

enemies. If American citizens don't trust their government, why should friendly foreigners? If American citizens challenge the authority of American government, shouldn't unfriendly governments? The turning inward of American attention and the decline in authority of American governing institutions are closely related, as both cause and effect, to the relative downturn in American power and influence in world affairs. A decline in the governability of democracy at home means a decline in the influence of democracy abroad.

V. The Democratic Distemper: Causes

The immediate causes of the expansion of governmental activity and the decline of governmental authority are to be found in the democratic surge of the 1960s. What, however, was in turn responsible for this sharp increase in political consciousness, political participation, and commitment to egalitarian and democratic values? As we have indicated, the causes of the surge can be usefully analyzed in terms of their scope and timing. Are these causes country-specific or Trilateral-general? Are they transitory, secular, or recurring? In actuality, as we have suggested, the causes of the democratic surge seem to partake of all these characteristics.

The most specific, immediate, and in a sense "rational" causes of the democratic surge could conceivably be the specific policy problems confronting the United States government in the 1960s and 1970s and its inability to deal effectively with those problems. Vietnam, race relations, Watergate, stagflation: these could quite naturally lead to increased polarization over policy, higher levels of political participation (and

protest), and reduced confidence in governmental institutions and leaders. In fact, these issues and the ways in which the government dealt with them did have some impact; the unraveling of Watergate was, for instance, followed by a significant decline in public confidence in the executive branch of government. More generally, however, a far-from-perfect fit exists between the perceived inability of the government to deal effectively with these policy problems and the various attitudinal and behavioral manifestations of the democratic surge. The expansion of political participation was underway long before these problems came to a head in the mid-1960s, and the beginnings of the decline in trust and of the increase in attitude consistency go back before large-scale American involvement in Vietnam. Indeed, a closer look at the relationship between attitudes towards the Vietnam war and confidence in government suggests that the connection between the two may not be very significant. Opposition to U.S. involvement in Vietnam, for instance, became widespread among blacks in mid-1966, while among whites opponents of the war did not outnumber supporters until early 1968. In terms of a variety of indices, however, white confidence and trust in government declined much further and more rapidly than black confidence and trust during the middle 1960s. In late 1967, for instance, whites were divided roughly 46% in favor of the war and 44% against, while blacks were split 29% in favor and 57% against. Yet in 1968, white opinion was divided 49.2% to 40.5% as to whether the government was run for the benefit of all or a "few big interests," while blacks thought that it was run for the benefit of all by a margin of 63.1% to 28.6%.(27) Black confidence in government plummeted only after

the Nixon Administration came to power in 1969. While this evidence is not as complete as one would desire, it does, nonetheless, suggest that the actual substantive character of governmental policies on the war, as well as perhaps on other matters, was of less significance in terms of the decrease in governmental authority than were the changes generated by other causes in the attitudes of social groups towards government and in the intensity with which social groups held to particular political values.

At the opposite extreme in terms of generality, the democratic surge can also be explained in terms of widespread demographic trends of the 1960s. Throughout the industrialized world during the 1960s, the younger age cohorts furnished many of the activists in the democratic and egalitarian challenges to established authority. In part, this revolt of the youth was undoubtedly the product of the global baby-boom of the post-World War II years which brought to the fore in the 1960s a generational bulge which overwhelmed colleges and universities. This was associated with the rise of distinctive new values which appeared first among college youth and then were diffused among youth generally. Prominent among these new values were what have been described as "changes in relation to the authority of institutions such as the authority of law, the police, the government, the boss in the work situation." These changes were "in the direction of what sociologists call 'de-authorization,' i.e., a lessening of automatic obedience to, and respect for, established authority...." The new disrespect for authority on the part of youth was part and parcel of broader changes in their attitudes and values with respect to sexual morality, religion as a source of moral guidance, and traditional patriotism and allegiance "to my country right or wrong."(28)

As a result of this development, major differences over social values and political attitudes emerged between generations. One significant manifestation of the appearance of this generational gap in the United States is the proportion of different age groups agreeing at different times in recent decades with the proposition: "Voting is the only way that people like me can have any say about how the government runs things." In 1952 overwhelming majorities of all age groups agreed with this statement, with the difference between the youngest age group (21-28), with 79% approval, and the oldest age group (61 and over), with 80% approval, being only one percent. By 1968, the proportion of every age group supporting the statement had declined substantially. Of even greater significance was the major gap of 25% which had opened up between the youngest age group (37% approval) and the oldest age group (62% approval).(29) Whereas young and old related almost identically to political participation in 1952, they had very different attitudes toward it sixteen years later.

The democratic surge can also be explained as the first manifestation in the United States of the political impact of the social, economic, and cultural trends towards the emergence of a post-industrial society. Rising levels of affluence and education lead to changes in political attitudes and political behavior. Many of the political and social values which are more likely to be found among the young than among the elderly are also more likely to be found among better-off, white-collar, suburban groups than among the poorer, working-class, blue-collar groups in central and industrial cities. The former groups, however, are growing in numbers

and importance relative to the latter, and hence their political attitudes and behavior patterns are likely to play an increasingly dominant role in politics.(30) What is true today in North America is likely to be true tomorrow in Western Europe and Japan.

The single most important status variable affecting political participation and attitudes is education. For several decades the level of education in the United States has been rising rapidly. In 1940, less than forty percent of the population was educated beyond elementary school; in 1972 seventy-five percent of the population had been either to high school (40%) or to college (35%). The more educated a person is, the more likely he is to participate in politics, to have a more consistent and more ideological outlook on political issues, and to hold more "enlightened" or "liberal" or "change oriented" views on social, cultural, and foreign policy issues. Consequently the democratic surge could be simply the reflection of a more highly educated populace.

This explanation, however, runs into difficulties when it is examined more closely. Verba and Nie, for instance, have shown that the actual rates of campaign activity which prevailed in the 1950s and 1960s ran far ahead of the rates which would have been projected simply as a result of changes in the educational composition of the population. (See Table 7.) In part, the explanation for this discrepancy stems from the tremendous increase in black political participation during these years. Before 1960, blacks participated less than would have been expected in terms of their educational levels. After 1960, they participated far more than would have been expected by those levels; the gap between projected and

Table 7

Mean Number of Campaign Acts: Actual and Projected

	1952	1956	1960	1962	1964	1968	1970
Actual	.58	.66	.83	.69	.77	.73	.83
Projected	-	.57	.59	.61	.62	.65	.66

Source: Sidney Verba and Norman H. Nie, Participation in America: Political Democracy and Social Equality (New York: Harper & Row, 1972), p. 252

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actual participation rates in these latter years being far greater for the blacks than it was for the whites. The difference in participation between more highly educated and less highly educated blacks, in turn, was much less than it was between more highly educated and less highly educated whites. Black political participation, in short, was the product primarily not of increased individual status but rather of increased group consciousness.(31) That political participation will remain high as long as their group consciousness does. A decline in the saliency of school integration, welfare programs, law enforcement, and other issues of special concern to blacks will at some point presumably be accompanied by a decline in their group consciousness and hence their political participation.

In a similar vein, the assumption that increased attitude consistency can be explained primarily by higher levels of education also does not hold up. In fact, during the 1950s and 1960s major and roughly equal increases in attitude consistency occurred among both those who had gone to college

and those who had not graduated from high school. In summarizing the data, Nie and Anderson state:

> The growth of attitude consistency within the mass public is clearly not the result of increases in the population's 'ideological capacities' brought about by gains in educational attainment.... Those with the lowest educational attainment have experienced the largest increases in consistency on the core domestic issues; and little significant difference appears to be present between the two educational groups in comparison to the dramatic increases in consistency which both groups have experienced.

Instead, they argue, the increase in ideological thinking is primarily the result of the increased salience which citizens perceive politics to have for their own immediate concerns: "the political events of the last decade, and the crisis atmosphere which has attended them, have caused citizens to perceive politics as increasingly central to their lives."(32) Thus, the causes of increased attitude consistency, like the causes of higher political participation, are to be found in the changing political relationships, rather than in changes in individual background characteristics.

All this suggests that a full explanation of the democratic surge can be found neither in transitory events nor in secular social trends common to all industrial societies. The timing and nature of the surge in the United States also need to be explained by distinctive dynamics of the American political process and, in particular, by the interaction between political ideas and institutional reality in the United States. The roots of the surge are to be found in the basic American value system and the degree of commitment which groups in society feel toward that value system.

Unlike Japanese society and most European societies, American society is characterized by a broad consensus on democratic, liberal, egalitarian values. For much of the time, the commitment to these values is neither passionate nor intense. During periods of rapid social change, however, these democratic and egalitarian values of the American creed are reaffirmed. The intensity of belief during such creedal passion periods leads to the challenging of established authority and to major efforts to change governmental structure to accord more fully with those values. In this respect, the democratic surge of the 1960s shares many characteristics with the comparable egalitarian and reform movements of the Jacksonian and Progressive eras. Those "surges" like the contemporary one also occurred during periods of realignment between party and governmental institutions, on the one hand, and social forces, on the other.(33) The slogans, goals, values, and targets of all three movements are strikingly similar. To the extent this analysis is valid, the causes of the democratic surge in the U.S. would be specific to the U.S. and limited in duration but potentially recurring at some point in the future.

VI. Conclusions: Towards a Democratic Balance

Predictively, the implication of this analysis is that in due course the democratic surge and its resulting dual distemper in government will moderate. Prescriptively, the implication is that these developments ought to take place in order to avoid the deleterious consequences of the surge and to restore balance between vitality and governability in the democratic system.

Al Smith once remarked that "The only cure for the evils of democracy is more democracy." Our analysis suggests that applying that cure at the present time could well be adding fuel to the flames. Instead, some of the problems of governance in the United States today stem from an excess of democracy -- an "excess of democracy" in much the same sense in which David Donald used the term to refer to the consequences of the Jacksonian Revolution which helped to precipitate the Civil War. Needed, instead, is a greater degree of moderation in democracy.

In practice, this moderation has two major areas of application. First, democracy is only one way of constituting authority, and it is not necessarily a universally applicable one. In many situations, the claims of expertise, seniority, experience, special talents, may override the claims of democracy as a way of constituting authority. During the surge of the 1960s, however, the democratic principle was extended to many institutions where it can, in the long run, only frustrate the purposes of those institutions. A university where teaching appointments are subject to approval by students may be a more democratic university but it is not likely to be a better university than one where this is not the case. In similar fashion, armies in which the commands of officers have been subject to veto by the collective wisdom of their subordinates have almost invariably come to disaster on the battlefield. The arenas where democratic procedures are appropriate are, in short, limited.

Secondly, the effective operation of a democratic political system usually requires some measure of apathy and non-involvement on the part

of some individuals and groups. In the past, every democratic society has had a marginal population, of greater or lesser size, which has not actively participated in politics. In itself, this marginality on the part of some groups is inherently undemocratic, but it has also been one of the factors which has enabled democracy to function effectively. Marginal social groups, as in the case of the blacks, are now becoming full participants in the political system. Yet the danger of overloading the political system with demands which extend its functions and undermine its authority still remains. Less marginality on the part of some groups thus needs to be replaced by more self-restraint on the part of all groups.

The Greek philosophers argued that the best practical state would combine several different principles of government in its constitution. The Constitution of 1787 was drafted with this insight very much in mind. Over the years, however, the American political system has emerged as a distinctive case of extraordinarily democratic institutions joined to an exclusively democratic value system. Democracy is more of a threat to itself in the United States than it is in either Europe or Japan where there still exist residual inheritances of traditional and aristocratic values. The absence of such values in the United States produces a lack of balance in society which, in turn, leads to the swing back and forth between creedal passion and creedal passivity. Political authority is never strong in the United States, and it is peculiarly weak during a creedal passion period of intense commitment to democratic and egalitarian ideals. In the United States, the strength of democracy poses a problem for the governability of democracy in a way which is not the case elsewhere.

The vulnerability of democratic government in the United States thus comes not primarily from external threats, though such threats are real, nor from internal subversion from the left or the right, although both possibilities could exist, but rather from the internal dynamics of democracy itself in a highly educated, mobilized, and participant society. "Democracy never lasts long," John Adams observed. "It soon wastes, exhausts, and murders itself. There never was a democracy yet that did not commit suicide." That suicide is more likely to be the product of overindulgence than of any other cause. A value which is normally good in itself is not necessarily optimized when it is maximized. We have come to recognize that there are potentially desirable limits to economic growth. There are also potentially desirable limits to the extension of political democracy. Democracy will have a longer life if it has a more balanced existence.

Footnotes

(1) Sidney Verba and Norman H. Nie, Participation in America: Political Democracy and Social Equality (New York: Harper and Row, 1972), pp. 251-52.

(2) See, for example: S.M. Miller and Pamela A. Roby, The Future of Inequality (New York: Basic Books, 1970); Christopher Jencks, Inequality (New York: Basic Books, 1972): Herbert J. Gans, More Equality (New York: Pantheon Books, 1973); Lee S. Rainwater, Social Problems: Inequality and Justice (Chicago: Aldine Press, 1974); Edward C. Budd, Inequality and Poverty (New York: W.W. Norton, 1967); Murray Milner, The Illusion of Equality (San Francisco: Jossey-Bass, 1972); David Lane, The End of Equality? (Harmendsworth, Middlesex, England: Penguin Books, 1971); "On Equality," Symposium, The Public Interest, Fall 1972; Frank Parkin, Class Inequality and Political Order (London: MacGibbon & Kee, 1971).

(3) See Samuel P. Huntington, The Common Defense (New York: Columbia University Press, 1961), pp. 33-64.

(4) U.S. Bureau of the Census, Statistical Abstract of the United States: 1973 (Washington: Government Printing Office, 1973), p. 410.

(5) Edward R. Fried et al., Setting National Priorities: The 1974 Budget (Washington: Brookings Institution, 1973), p. 5.

(6) Huntington, Common Defense, pp. 234-48.

(7) William Watts and Lloyd A. Free, State of the Nation: 1974 (Washington: Potomac Associates, 1974); The Gallup Opinion Index, Report No. 112, October 1974, p. 20.

(8) U.S. Bureau of the Census, Statistical Abstract, 1973, p. 410; U.S. Office of Management and Budget, The United States Budget in Brief--Fiscal Year 1975 (Washington: Government Printing Office, 1974), p. 47.

(9) Daniel Bell, "The Public Household--On 'Fiscal Sociology' and the Liberal Society," The Public Interest, No. 37, (Fall 1974), p. 41; James O'Connor, The Fiscal Crisis of The State (New York: St. Martin's Press, 1973), p. 221.

(10) Norman H. Nie and Kristi Anderson, "Mass Belief Systems Revisited: Political Change and Attitude Structure," The Journal of Politics, 1974, 36 (August 1974), pp. 558-59.

(11) William Schneider, "Public Opinion: The Beginning of Ideology?", Foreign Policy, No. 17 (Winter 1974-75), pp. 88ff.

(12) Arthur H. Miller, "Political Issues and Trust in Government: 1964-1970," American Political Science Review, 68 (September 1974), pp. 951ff.

(13) Gabriel A. Almond and Sidney Verba, The Civic Culture (Boston: Little Brown, 1965), pp. 64-68; Gallup Survey, New York Times, October 14, 1973, p. 45.

(14) University of Michigan, Survey Research Center, Codebook, 1960 Survey, p. 146, and Codebook, 1968 Survey, p. 310.

(15) I have been greatly helped on this point by a memorandum by Professor Sidney Verba, dated May 23, 1973, and by conversations with Professor Verba.

(16) Jack Citrin, "Comment: Political Issues and Trust in Government: 1964-1970," American Political Science Review, 68 (September 1974), pp. 982-84.

(17) Gallup Survey reported in New York Times, Oct. 17, 1971, p. 34; N.D. Glenn, "Sources of the Shift to Political Independence," Social Science Quarterly, 53 (Dec. 1972), pp. 494-519.

(18) Frederick G. Dutton, Changing Sources of Power: American Politics in the 1970s (New York: McGraw-Hill, 1971), p. 228; Richard W. Boyd, "Electoral Trends in Postwar Politics," in James David Barber, ed., Choosing the President (Englewood Cliffs: Prentice Hall, 1974), p. 185.

(19) Boyd, ibid., p. 189.

(20) Gerald M. Pomper, "From Confusion to Clarity: Issues and American Voters, 1956-1968," American Political Science Review, 66 (June 1972), pp. 415ff.; Miller, ibid., 68 (Sept. 1974), pp. 951ff.; Norman H. Nie "Mass Belief Systems Revisited," Journal of Politics, 36 (August 1974), pp. 540-591; Schneider, Foreign Policy, No. 17, pp. 98ff.

(21) Samuel H. Beer, "Government and Politics: An Imbalance," The Center Magazine, 7 (March-April 1974), p. 15.

(22) Daniel Yankelovich, Changing Youth Values in the '70's: A Study of American Youth (New York: JDR 3rd Fund, 1974), p. 37.

(23) Walter Dean Burnham, Critical Elections and the Mainsprings of American Politics (New York: W.W. Norton, 1970); James L. Sundquest, Dynamics of the Party System (Washington: The Brookings Institution, 1973); Samuel Lubell, The Future of American Politics (New York: Harper, 1951).

(24) Louis Harris and Associates, Confidence and Concern: Citizens View American Government (Committee Print, U.S. Senate, Committee on Government Operations, Subcommittee on Intergovernmental Relations, 93rd Congress, 1st Session, December 3, 1973, 16, pp. 42-43, 299.

(25) Tax Foundation, Inc., Unions and Government Employment (New York, 1972), pp. 29, 39-41.

(26) Huntington, Common Defense, pp. 271-75.

(27) See University of Michigan, Survey Research Center, surveys 1958, 1964, 1966, 1968, and 1970, on black and white "Attitudes Toward Government: Political Cynicism," and John E. Mueller, War, Presidents, and Public Opinion (New York: John Wiley, 1973), pp. 140-48.

(28) Yankelovich, Changing Youth Values, p. 9.

(29) Anne Foner, "Age Stratification and Age Conflict in Political Life," American Sociological Review, 39 (April, 1974), p. 190.

(30) Samuel P. Huntington, "Postindustrial Politics: How Benign Will It Be?", Comparative Politics, Vol. 16, No. 2, (Jan. 1974), pp. 177-82; Louis Harris, The Anguish of Change (New York: W.W. Norton, 1973), pp. 35-52, 272-73.

(31) Verba and Nie, Participation in America, pp. 251-59.

(32) Nie and Anderson, Journal of Politics, 36 (August 1974), pp. 570-71.

(33) Samuel P. Huntington, "Paradigms of American Politics: Beyond the One, the Two, and the Many," Political Science Quarterly, 89 (March 1974), pp. 18-22; Alexander M. Bickel, "Press and Government: Aspects of the Constitutional Position," Freedom at Issue, No. 21, (Sept.-Oct. 1973), pp. 9-10.

CHAPTER IV - JAPAN
by Joji Watanuki

Chapter IV

JAPAN

Joji Watanuki

I. Japanese Democracy's Governability

There is no absolute governability or non-governability. Governability is always a function of tasks -- both imposed from outside and generated from inside -- and of capabilities -- again of the mass and of the elite.

1. External conditions surrounding Japanese democracy.

Although there seems to be no impending external threat of military aggression to Japan, there exist uncertainties of a military nature which, if they should be actualized, would impose enormous strains on Japanese leaders. One is the instability of the Korean situation and possible escalating confrontation between the Republic of Korea and the People's Democratic Republic of Korea. Another is the possibility of Sino-Soviet military confrontation. In both cases, if the conflicts should escalate enough, they would cause world-wide repercussions, and the United States, at least, would be involved with them whether she likes it or not. If, however, the escalation should remain below certain limits and could be regarded as a local problem, it is possible that particularly strong pressures to force Japanese decision-makers to make difficult policy decisions would be generated from both sides of the parties concerned. The former, the Korean problem, has a special significance to Japan's governability problem. (Needless to say, this does not mean Japan's governability

over Korea -- there should be no such case. What we are concerned about is Japan's internal governability.)

Apart from such critical, and, hopefully, not easily occurring cases, generally speaking there are two external factors besetting Japan and imposing tasks to Japanese leadership. One is the well-known international dependency and vulnerability of Japanese economy in terms of resources needed not only to maintain its production, but also even to maintain the subsistence of the Japanese people. According to well-known and often-cited figures, Japan's ratio of dependency on overseas resources is: almost 100% in the case of oil, 85% in total energy supply, 100% in aluminum, and 95% for iron ore (1970 level). In the case of food, 23% of Japan's total food supply comes from abroad, and in extreme items such as wheat and beans, 92% of wheat and 96% of soya beans consumed in Japan came from abroad in 1971. In comparison with the equivalent figures of the United States, these figures are impressive enough to show Japan's international dependency in the acquisition of resources. Japan's dependency is, however, rather of the same level as that of many West European societies. What distinguishes Japan from West European societies is, rather, the next factor. That is, Japan stands alone in the region, with no equal partner for joint action, which shares common interests due to an equal stage of industrial development combined with the same degree of commitment to principles of political democracy. Of course, in spite of the European Community, West European countries are far from achieving complete accord and being able to take united action to cope with difficulties. And West European countries or European Community always have to take into consideration the

moves of other regions -- those of the Soviet bloc, the Arab countries and all other Third World countries. However, in Japan's case, as the outstandingly advanced country in economic terms in the region of Asia, and because of emotional feeling on both sides of Japan and the countries in Asia due to historical factors, the Japanese elites and masses are torn between feeling of belongingness to Asia, and feeling of isolation from Asia with orientation to the U.S. and West Europe.(1) The feelings of the elites and the masses of Asian countries toward Japan are also ambivalent. Japan and the Japanese in Asian countries are expected to perform some positive role because she and they are Asians; and on the other hand, she and they are severely criticized because of behavior which would be permitted in the case of Europeans or Americans. Such a delicate position of Japan and the Japanese in the region, if we are optimistic and well-prepared, can serve as an asset linking the countries with advanced economies and those with developing economies by the feeling of solidarity. If, on the other hand, we are pessimistic and actually ill-prepared, it can become a debt to confuse Japan's policy choice and to aggravate the relationship between developing countries and those economically advanced countries in general.

2. Domestic conditions and capabilities hitherto existing in Japanese democracy after the Second World War.

a) Consolidation of "post-War democracy"

In talking about governability of democracies in Japan's case, the place to start from is the reforms after the Second World War, and the 1947 Constitution of Japan as the key political institution and belief of post-War democracy. It has been argued not only in Japan but also abroad that

the Japanese Constitution of 1947 was made under the U.S. occupation. And the record does show that the draft was written by the staff of SCAP (Supreme Commander of Allied Powers) General Douglas MacArthur, and handed to the Japanese Government with strong pressure in early 1947.

However, in spite of apparent record of such imposition or implantation by the Allied -- and actually American -- occupation forces, and although there has been a tenacious movement to abolish this "given Constitution" and to make an "autonomous" Constitution by rightists both outside and inside Liberal Democratic Party, the Japanese 1947 Constitution has already operated for thirty years and will be kept intact for the foreseeable future including its famous unique Article 9 forbidding to wage a war as a nation and to have armed forces for that purpose. It is a miracle of modern history, and is one key factor to understanding or to predicting Japanese society and politics.

This miracle has had three good reasons to occur.(2) In the first place, the Constitution draft prepared by SCAP was not made in the air. It had many common ideas with a constitution draft prepared by the Japanese liberals at that time. And beside the Constitution itself, many post-War reforms performed under the Allied Occupation -- actually American occupation -- were congruent with (or some steps in advance of the line of) the proposals made by the liberals or even by the enlightened bureaucrats either at that time or even in pre-War days. In other words, many reforms made during the occupation days after the defeat of the Second World War helped to release and encourage "reform potentials" which had already accumulated in Japan due to the modernization process, which had been

incessantly promoted even during the Second World War. Secondly, a positive role was played by the opposition -- especially that of the Japan Socialist Party in the period of 1952-1955 just after the end of occupation in 1952. The Conservatives, at that time consisting of the Japan Liberal Party and the Japan Democratic Party, wanted to revise the "excessive" reforms made under the occupation and campaigned for rewriting the whole Constitution. The key parts of the Constitution which the Conservatives wanted in common to rewrite were those on the status of the Emperor, the Article 9, and those concerning the family system. Extreme conservatives wanted more general de-liberalization concerning the rights of labor unions, freedom of speech and association, and so on. If their attempts had been successful, what would have been the subsequent consequences for Japanese society and politics? Since it is just a matter of sheer conjecture, it is open to various arguments. My argument, however, is this: the consequence would have been less stability of Japanese politics and the accumulation of more frustration and alienation among more educated people and also among younger people in Japanese society. A Japan with recognized armed forces but with more domestic political confrontation and more accumulation of frustration among the populace, and possibly with repeated attempts of constitutional rewriting in both radical and reactionary directions, would have been possible. To stop to indulge in the imagination, anyway, the actual course of history was that the Socialists, who at that time were divided between the Right-wing Socialists and the Left-wing Socialists but who both agreed to preserve the 1947 Constitution, succeeded in winning one-third of both Houses of the Diet in elections in the early

1950s and blocked the Conservatives' attempt to revise the Constitution, to initiate which approval of two-thirds of the Diet was required. The legacy of the Constitutional dispute in this period still remains as a way of thinking of the 1947 Constitution as one package, that is, thinking based on an either-or way so that no part of the Constitution can be revised without rewriting the whole. Thirdly, the mainstream of the Conservatives -- Liberal Democratic Party -- is presently lukewarm about this matter and does not want to take the trouble to confront the Socialists and the Komei Party. Behind such lukewarm attitudes of the Conservatives not to take the trouble to alter the 1947 Constitution, there is another factor, which has contributed to the consolidation of that Constitution. In the process of economic growth since the second part of the 1950s and throughout the 1960s, with a number of concomitant social changes, the 1947 Constitution and most of the post-War reforms became congruent and functional to the operation of Japanese economy and society. The issues raised by the Conservatives, especially by the rightists' wing of them in the period just after the end of occupation, against the 1947 Constitution became obsolete. For example, the 1947 Constitution and the reform of the family code assured the independence of family members. Younger people, who were supposed to be under the control of the family-head before the reforms, got legal freedom from the family by the post-War reforms and actually got economic freedom by the labor shortage and consequent rise of wages for them due to the economic growth since 1955. From the viewpoint of companies also, voluntary mobility of the younger people irrespective of the assent of family-head is rather welcome. To the expanding higher educated population, which has contributed to the labor force with higher

quality, the idea and stipulation of the status of the Emperor as mere symbol of the state in the 1947 Constitution has been more comfortable than either the idea of the Emperor as the God in pre-War days or the idea of the Conservatives that the Emperor should have more substantial power. Labor unions recognized and protected by the 1947 Constitution, with their peculiarly Japanese form of "enterprise unions," were found to be no obstacle to technological innovation and contributed to the maintenance of commitment of the workers to the company.

Thus, the mainstream of the Liberal Democratic Party and also the mainstream of Japanese economic circles have no serious intention of revising the 1947 Constitution now and will not have such in near future. According to opinion polls, the majority of the mass public also support the 1947 Constitution as a whole. The Socialists and the Komei Party are committed firmly to it. The Japan Communist Party also has declared its commitment to defend the present Constitution at least at the present moment and in the near future, although at the same time it is not hiding its view that at some future time the Constitution should be rewritten in more socialistic style, a point which the Komei Party has been fiercely attacking.

Thus, in comparison with the German Weimar Republic of 1919-1933, Japanese post-War democracy has a far firmer basis. A doubt, however, remains whether the ordinary Japanese people accept the post-War democratic system as a kind of given based on their feeling of instrumental legitimacy that the post-War period with its economic prosperity has been better than the pre-War period. But even if so, the pre-War system has no competing attraction either, especially to those younger generations. There is little possibility of a powerful revival of Japanese militarism or political

traditionalism in pre-War style in the future. Rather, the problem is that, treating the 1947 Constitution as given, how can Japan handle the status of Japanese Self Defense Forces, which have been regarded by the Socialists and the Communists as unconstitutional, on one hand, and which, on the other, have accumulated capability and de facto legitimacy during their existence and development over twenty years under the LDP government?

b) Capability of Liberal Democratic Party

The Japanese Conservatives -- especially the Liberal Democratic Party since its formation in 1955 -- ruled throughout post-War Japan except for the short and unsuccessful coalition of the Socialists and Democratic Party in 1947-1948. The capability of LDP is open to partisan disputes. LDP people and ardent supporters of LDP can say that duration of LDP's majority for 20 years, Japan's economic growth, and her peaceful existence with other nations under its rule are the proofs of LDP's high capability. The award of the 1974 Nobel Peace Prize to ex-Prime Minister Eisaku Sato seems to back up such argument. But, on the other hand, naturally the opposition parties have been critical of LDP's capability and actually expressed astonishment and criticisms concerning the award of the Nobel Peace Prize to Mr. Sato. Apart from such partisan disputes, two observations can be made. One, LDP's rule has carried with it both merits and demerits; in other words, functions and dysfunctions. Two, the social and cultural bases which have hitherto supported the merit-side or functional side of LDP have been declining. In other words, the changing tides of Japanese society seem to be less congruent with, or beyond the adaptability of, LDP than before.

As for the former, I can cite three points. Firstly, the close coordination between LDP, higher elite corps bureaucracy, and the economic elites, which has been called "Japan Incorporated" since Time magazine's story of May 10, 1971, invented such a name-tag, certainly contributed to Japan's economic growth and will also function positively in times of economic crises to come, through skillful "consensus economy." Certainly LDP's capability of policy formation is high in the sense that it is fused with the elite bureaucrats corps which is a group consisting of ex-high-bureaucrats, who became either LDP parliamentary members or top executives of public and private corporations after their relatively early retirement (around the ages 50 to 55 years old), active high bureaucrats, and successive generations of elite corps who passed higher civil service examination. Ex-high-bureaucrats as LDP politicians contribute their knowledge and experiences accumulated during their bureaucratic career to the formation of policies by the party, on one side, and, on the other, can maintain communication with their ex-colleagues in public and private corporation and, moreover, may utilize the cooperation and assistance from their successors on active duty in the bureaucracy.

Secondly, LDP has built up its skillful vote-getting machines of koenkai (associations supporting individual politicians), through which various demands -- personal, regional and occupational -- of the vast populace have been absorbed and satisfied. Every LDP Diet member maintains his koenkai,[3] which comprises often tens of thousands of "members" who rarely pay membership dues. Almost all the expenses to maintain such koenkai are paid by that LDP politician himself, who therefore always

badly needs money. LDP politicians are very responsive to their koenkai clients, especially to the key persons in them, who are often the local influentials of agricultural associations or small- and medium-sized trade associations. Therefore, in spite of its close coordination with big businesses and its financial dependency on them, LDP has not ignored those interests of local influentials in the sectors of agriculture, fishery, small- and medium-sized commerce and manufacture. In other words, LDP at the grass-roots has been loosely structured and has consisted of federations of hundreds of small parties, so to speak. Therefore, it has been able to absorb a variety of interests and demands. On the other hand, as is well known, mainly because of the distribution of money, LDP politicians are "aggregated" into several factions, and eventually, LDP's policy formations are made in close contact with bureaucracy and big businesses. Here, in a sense, there is a beautiful design of wider interest articulation through individual LDP members and their koenkai, and interest aggregation through factions, eventually through agreement by that triumvirate of big business, bureaucracy and LDP.

Thirdly, although LDP has been self-identified as a conservative party and many members of it have expressed nostalgia for a number of aspects of the pre-War system from time to time, and although a close tie with the U.S. has been LDP's official line on foreign policy, still LDP Diet members have enjoyed a wide range of freedom to express divergent policy views and even behaviors concerning both domestic and foreign policies. In the sphere of foreign policy, members of the Asian and African Problem Study Group had visited the People's Republic of China a number of times before Tanaka's

visit to China, and also have been keeping contact with the People's Democratic Republic of Korea. On the other hand, LDP still has strong Taiwan-supporters and also a "Korean" lobby meaning those keeping close tie with Republic of Korea. In the sphere of domestic policy, a fairly wide divergence of opinions exists among LDP politicians. This ideological looseness and vagueness of LDP are due to the above-mentioned independence of LDP politicians in vote-getting and non-ideological formation of factions within LDP, and they have, in their turn, contributed to the neutralizing of the party image against the attack from the opposition parties that LDP is a reactionary party, and they have, moreover, given LDP wider channels of contact and assets to be utilized in case of policy change.

All these three conditions have also been pointed out, on the other hand, as carrying demerits and causing dysfunctions. One, close contact and skillful coordination between the parties in the triumvirate has meant their unproportional predominance in policy formation. Powers to countervail and check that triumvirate have been disproportionally weak. As for the second mechanism which has made LDP capable of absorbing various interests and demands, since the supporting groups of LDP are not distributed equally in terms of region, occupation and generation, unavoidably some interests are systematically respected more and some others are ignored. And, continuation of LDP rule for nearly twenty years has generated a sense of being alienated from power and the feeling of ill-treatment in certain sectors of society. By those supporters of the opposition parties, not only LDP's rule, but also the period when Japan has been under LDP rule itself, is regarded as subject to criticism. Those people feel that

it has been Their rule, and Their period, not Ours. This kind of feeling of alienation was clearly expressed when ex-Prime Minister Eisaku Sato was awarded the Nobel Peace Prize. Thirdly, concerning above-mentioned looseness of ideological control within LDP, the other side of the coin is the widely held fear of unpredictability of LDP behavior. Some policies are formed based on factional fight or compromise within LDP, and many others are made upon consultation with, or according to the advice of, bureaucracy and business circles. Concerning the former, especially from the views of opposition parties, LDP is a party which can suddenly propose ultra-conservative, even rightist-like proposals. Partly due to the result of these features of LDP rule, and partly due to the nature of the opposition parties -- especially the Japan Socialist Party which has been committed tightly to Marxian doctrine -- a lack of trust between governing party and opposition parties has been conspicuous. And also, those intellectuals supporting the opposition parties are more numerous and vocal in their criticisms of LDP than expected, given the stability and achievements of LDP rule.

Another source of vulnerability of LDP is an ethical one concerning its way of procuring and spending political funds. As mentioned above, all LDP politicians have to constantly procure and spend money in order to maintain their own koenkai. The minimum necessary expenditure of LDP Diet Members is said to be 3 million yen (10,000 in U.S. dollars) per month in an off-election period. They raise part of the money by themselves, and part comes from their faction leaders. Faction leaders have to take care of the funds of their followers. And it has been a well-known fact that the main part of these political funds is given by business

corporations. The points are: One, whether huge sums of political donations by business corporations are really pure and voluntary contributions or implicit bribery? Two, is it fair political competition that LDP and LDP factions combined are spending political funds five times larger than the total political funds spent by all four opposition parties together, according to an official report released by the Government.(4) Moreover, it is widely believed that the actual sum of the political spending by LDP is more than this official record.

It is a well-known fact that LDP's share of the votes in national elections has been gradually declining. Although in the case of the House of Representatives LDP still maintained 46.8% share of the votes in the 1972 general election, the LDP share fell below 40% (39.5%) in the Prefectural Constituency of the election of the House of Councilors in 1974. Partly due to the overrepresentation of the rural districts in the Diet and partly due to the split of the opposition parties, LDP still succeeds in getting a majority of the seats in the Houses (271 out of 491 in the House of Representatives, and 126 out of 252 in the House of Councilors). LDP's majority is slim in the House of Councilors and LDP lacks sufficient majority legitimacy even in the House of Representatives due to rural overrepresentation and the above-mentioned disproportional spending of political funds.

c) Quality of Japanese Bureaucracy

Although it depends on the definition of "governability," in any understanding of governability as a synthetic capability relating the governing and the governed, the quality of bureaucracy either as the governing or as

an intermediary between the governing and the governed or as an autonomous third force has special significance. In this respect, the Japanese bureaucracy seems to deserve some attention. Historically, Japanese bureaucracy was formed after the Prussian model, legacies of which remain even today in formalistic legalism and alleged neutralism which does not, however, prevent the high-bureaucrats from committing themselves to partisan stands of the governing party, as representing the interests of the State. As above-mentioned, many high-bureaucrats, after retirement, have joined in LDP and, after their successful election, have become key figures of the governing party. The bureaucrats on duty are, however, fairly autonomous under the control of administrative vice-ministers and as the elite-bureaucratic corps with a high degree of their own esprit de corps, similar to the British Civil Service. And recently during the period of economic growth, mainly in the ministries of Finance,(5) International Trade and Industry, and the Economic Planning Agency, technocrats, consisting primarily of economic specialists, have been gaining power, and in this predominance of technocrats, Japanese bureaucracy can be compared with the French bureaucracy.

Thus, capability of Japanese bureaucracy can be evaluated as rather high. The members of the elite bureaucratic corps consisting of those who passed higher civil service examination -- whose number is still limited to four hundred or so annually in this age of expansion of higher education with 1.5 million university students -- are really elite both in terms of their initial caliber and the opportunities of training and accumulation of administrative experiences given to them during their careers. Those

elite bureaucratic corps of about ten thousand are still today prepared to work 24 hours per day and seven days a week if necessary, because of their privileged position of good care and faster promotion and prevailing ethos of diligence and self-sacrifice in those elite corps.

There are, however, dysfunctions and vulnerability in the Japanese bureaucracy. One, as mentioned above, the top part and also the alumni part of the Japanese bureaucratic elite corps have been too fused with LDP. Two, with the expansion of higher education, a system designed to recruit only four hundred or so to the elite bureaucratic corps cannot maintain itself forever. Actually, many university graduates are taking examinations of middle civil service which have been intended for high school or junior college graduates. The point is that, in such a situation, it will become difficult to give special favor to those who passed higher civil service examination and to discriminate against other members of bureaucracy who are now equally university graduates. In the not remote future, the notion and practice of elite bureaucratic corps will be forced to give way to more egalitarian, less privileged forms. Local governments have been doing this already. For instance, Tokyo Metropolitan Government has been recruiting several hundred university graduates on equal basis. Two, it has been a firm established practice for Japanese Ministries to recruit their personnel, both elite and non-elite, as the personnel of their own Ministries. The function has been to build up the Ministry's own bureaucracy of specialists on matters over which that Ministry presides and to build up strong solidarity of elite bureaucratic corps within a

particular Ministry. This practice has brought with it the pattern of ministerial bureaucrats acting to promote the interests of their clienteles, and promoting interests and demands within their jurisdictions ardently even in dispute with the governing party, serving thus as guardians of interests which might be neglected by the governing party. But, on the other hand, the cost paid for that is bureaucratic sectionalism and there is no bureau to take care of overall policy. To be sure there are the Prime Minister's Office and the Cabinet Secretariat, which are supposed to perform this function, but these bureaucrats, however, come from various Ministries, serve for a couple of years and go back to their home-Ministries, who, therefore, remain rather committed to the particular interests of their home-Ministries.

d) Economy

As is well known, Japanese economic growth during the two decades up until the oil crisis of October 1973 was amazing, maintaining over 10% substantial annual growth rate continuously. GNP and also per capita income doubled every five years. Even considering the rise of commodity prices, still real wages nearly doubled between 1960 and 1972.(6) Japan's GNP is larger than that of any West European country and her per capita income or wage is roughly equal with, or even slightly more than, that of Britain or France, as the statistics tell us. With this growth of GNP and increase of per capita income and wages, the government revenue and spending has expanded enormously. From 1965 to 1973, for instance, the government budget grew from 3,658 billion yen to 14,284 billion yen,

i.e., over three times.(7) In other words, so far, with the growth of the Japanese economy, government has acquired tremendous amounts of goods and services which it can dispose, and this has made it possible for the Japanese government to distribute goods and services in response to the increased demands of the populace. Under these circumstances, government has been able to avoid serious priority problems.

Again, as is well known, starting from successive devaluation of the yen, the oil crisis and subsequent jump of oil price has been changing the picture rapidly. The growth rate for fiscal year 1973 (April of 1973 to March of 1974) dropped sharply to 5.4%, and that for 1974 fiscal year was eventually found to be minus (-1.8%). According to the Ministry of International Trade and Industry, the expected growth rate for 1975 is 2%. Although somewhat calmed down, still the rise of consumer price as of March 1975 in comparison with the previous year was 13%. The government target is to lower the rise of consumer prices to within a single digit by the end of 1975. In this economic situation, the national government still could increase its budget to 17,180 billion yen in 1974 fiscal year and 21,280 billion yen in 1975 fiscal year, without making serious deficits and increasing the rate of inflation, but local governments now face serious deficits in their budgets. It is expected that the national government, too, will face a tighter financial situation and priority problem in budget-making for next fiscal year beginning April 1976.

As for the longer economic perspective, the government defines the period 1974 to 1976 as an "adjustment" period from rapid economic growth to "stable" economic growth or to a "less accelerated" economy, as it is

called. After 1976, the MITI is expecting about 7% economic growth. If so, this moderate growth can bring with it some leeway for priority problem but that leeway will be far more restricted in comparison with the past period of more than 10% rapid economic growth.

e) Mass Media

Development of mass media in Japan is quite conspicuous. The total number of copies of newspapers issued daily is 56 million copies, which is second only to that of the United States (63 million copies). Estimated number of television sets currently in use is 48 million and there are five nationwide television networks -- one is the publicly operated NHK (Japan Broadcasting Corporation) and the other four are privately owned (NTV, TBS, Fuji and NET).(8) Besides the press and the TV, the plethora of magazines is a characteristic of the Japanese mass media scene. In particular, a variety of weekly magazines with huge circulation (about 50 kinds of weekly magazines are selling eight million copies per month) is striking.

What is the relevance of those Japanese mass media to the governability of Japanese democracy? Under the post-War democracy, there has been no governmental censorship except during the occupation period, and all the major newspapers and TV networks have been avowed guardians of democracy. Their qualities are not bad, and especially the five major newspapers with nationwide circulation (Asahi, Mainichi, Yomiuri, Sankei and Nihon Keizai) are proud of being quality papers with several million circulation, and they are competing with each other in terms of their quality.

Thus, we can say that the Japanese mass media as a whole are a positive factor to the maintenance and operation of Japanese democracy. However,

the Japanese mass media have several characteristics peculiar to Japan, which function as a kind of constraint, within which Japanese democracy has to operate and which might make Japanese democracy vulnerable under possible changed conditions.

First of all, as has often been pointed out, Japanese newspapers are highly standardized, in the sense that (a) they tend to refrain from presenting partisan opinion, and (b) they all allocate their space in a quite similar way to cover everything from on-the-street human interest stories to high-brow academic articles.

Secondly, alongside the above-mentioned non-partisanship, another established characteristic of Japanese newspapers is what is called "opposition spirit," which means to be critical of government, but within the limit of non-partisanship. The result is that non-partisan intellectual radicalism is treated rather favorably in the newspapers and a tone of moral sensationalism colors the reports and articles in newspapers.

In the case of broadcasting, NHK more strictly clings to the principle of non-partisanship and to a less critical spirit than the newspapers. Other TV networks are more and more tied to particular major newspapers and show similar characteristics to the newspapers in their reporting.

Moral sensationalism is more naked in the cases of several weekly magazines, such as Shukan-Post, Shukan-Gendai and, although in a rather conservative tone, Shukan-Shincho, each of which is selling over half a million copies every week.

Those characteristics of Japanese mass media can have both positive and negative functions for the governability of Japanese democracy.

Newspapers' and NHK's non-partisanship is good in preventing manipulation by the powerful mass media. Moral sensationalism has helped to arouse the attention of the public to politics from issue to issue as it arises. Negative functions, however, also follow from those characteristics. Non-partisanship of the mass media can bring with it the loss of the function of stimulating political discussion, and critical spirit and moral sensationalism can obstruct necessary mobilization of support by the government and encourage political distrust of the government.

f) Education

Expansion of higher education in Japan has been amazine during the past decade. The percentage of those enrolling in universities and colleges among the eligible age group has doubled during this decade and reached to 30% in 1974. And it is expected that this trend will continue to grow and that percentages will reach to 40% by 1980.

From the educational viewpoint, the Japanese university system has a number of problems to be solved,(9) but only the political relevance of this expansion of higher education will be considered here.

So far, university expansion has caused relatively little direct impact on politics. Of course, there has been sporadic campus unrest, emergence of a variety of radical groups recruited from the university students, and participation of a number of students in anti-pollution movements. Also, the Japan Community Party has maintained its influence on student movements through its Democratic Youth League, and the League's members are quite active in assisting JCP's election campaigning. However, a majority of 1.5 million Japanese university students and a couple of

million of recent graduates have been politically relatively calm. One of the reasons for this relative calmness has been the favorable situation of the job market for rapidly expanding numbers of university graduates. This decade has witnessed an enormous expansion of tertiary industries and of professional, technical, and clerical jobs, which have absorbed a couple of million of university graduates. The shortage of young blue-collar working forces resulted in the improvement of the wages of not only young blue-collar workers but also of young white-collar workers. In spite of an ongoing change of values in younger generations, organizational disciplines regulating the new recruits in business or bureaucracy have persisted and have been successful in making them adapt to their organizational norms.

Moreover, so far the expansion of higher education has coincided with the expansion of local governmental activities and personnel. The percentage of university graduates among newly recruited civil servants on the local government level has increased rapidly, which has certainly contributed to upgrading the quality of local civil service.

Another aspect of higher education has been the increase of social science specialists in the universities, some of whom have begun to keep closer contact with governmental policy-making than previous Japanese university professors. Econometrics, social engineering, and regional planning -- in these fields a number of specialists are giving more advice and keeping close contact with government. Of course, on the other hand, expansion of higher education also has brought with it an increasing number of intellectual oppositionists. In Japan's case, however, intellectual

oppositionists have a long tradition. What is rather new is the emergence of policy oriented fields of social science and policy oriented intellectuals prepared to give advice to government.

The crucial question, however, is whether the Japanese economy can continue to offer suitable jobs to university graduates who constitute over 30% or even 40% of the corresponding age group. And another crucial question is the cost and quality of higher education. Government has been increasing the appropriation of public funds to assist private universities. In the expected tight budgetary situation, whether government can and should expand such assistance is questionable.

g) Labor Unions

As was mentioned earlier, labor unions have established their recognized position firmly in Japanese post-War democracy. And, also, Japanese labor unions with their form of "enterprise union" -- meaning that unions have been organized corresponding to the scope of each company, embracing all employees in that company -- have had no essential objection to the introduction of technological innovations so long as the company has guaranteed favorable treatment and offered retraining to those who were transferred to new jobs in the company, unlike British unions based on a particular job or craft. On the other hand, in spite of their basic form of "enterprise union," Japanese labor unions have succeeded in building up federations of unions within the same kind of industries, and eventually national federations of labor unions (Sohyo and Domei are two big national federations of labor unions, as is well known), which have been exercising fairly strong

influence through their jointly scheduled plan of wage-raise demands (so-called "spring struggle") and electoral campaigning supporting the opposition parties -- Sohyo supports the Socialists and Domei supports the Democratic Socialists).

Present-day democracy cannot exist without the recognition of, and the support from, labor unions. Actually, the Japanese labor unions, especially two big national federations, have been the avowed guardians of post-War democracy, although in different sense and direction. Sohyo has been in close cooperation with the Socialists, and not completely unfavorable to the Communists, and definitely against LDP. Domei has been supporting more moderate Democratic Socialists and definitely against the Communists and has been prepared to cooperate with LDP and LDP government upon certain conditions.

The roles to be played by labor unions in a democracy, however, involve a number of delicate things. In Japan's case, even under LDP government which has had no labor union to support it, government cannot ignore labor unions in labor administration and has had the representatives of Sohyo and Domei on a number of Deliberation Councils on labor administration and also on Labor Relations Committees. But essentially, LDP has been on the side of business and more concerned with the interests of its supporters -- farmers, small and medium manufacturers, and all other miscellaneous people organized into their own koenkai. One might argue that it has been rather a good balance since the organized labor has had powerful say even if it has not been respected by LDP. The opposite argument is that the organized labor should have been respected more in order to counterbalance the influence

of big business on LDP government. Some people argue that organized labor has been representing not only the interests of its members but also all those who have been unfavorably treated under LDP government. The third view, which has been emerging rather recently, does not trust either LDP government or labor unions. It insists that since labor unions represent the interests of only a fraction of total population (only about 30% of the employed are organized into labor unions) and since the two national federations represent an even smaller fraction (Sohyo with its four million membership organizes 10%; and Domei, with its 2.5 million membership, 7% of the total employed), the interests of ordinary citizens should be respected more, i.e., emerging consumers' movements and various citizens' movements should be respected more than, or at least alongside, organized labor, in order to increase the responsiveness and equity of Japanese democracy.

II. Changing Values, New Generations and their Impact on "Governability" of Japanese Democracy

Since values determine the way people think and act, it is important to see how the changing values, which are most conspicuously observable in younger generations and are expected to accumulate in years to come by the arrival of successive new generations, will affect "governability" of Japanese democracy.

1. Political beliefs

a) 1947 Constitution as a package as the key political belief

All the survey data collected in recent years reinforce the point that there is no sign of weakening of the support for the 1947

Constitution as a whole. On the contrary, the younger and the more educated (those two factors work independently to the same direction) tend to support more the 1947 Constitution as a whole, including its Article 9 forbidding Japan to wage a war and to have armed forces for that purpose. (10) Therefore, as mentioned above, the 1947 Constitution became, for good (as I think) or for bad (as did novelist Yukio Mishima, who committed suicide after his comical and unsuccessful intimidation of one of the top echelons of Japanese Self-Defense Forces) a kind of given.

The arguments against this, however, have been presented and will be repeatedly presented in the future, too. One kind of argument is that the Japanese war-like "national character" will not change so easily; therefore, if international situations slightly change, the Japanese will easily change their minds and discard the 1947 Constitution, especially its Article 9. But this kind of argument, which is often found among overseas Chinese scholars still today, is highly improbable. The other kind of argument stresses that if some grave change should occur in international relations, in other words if some real threat of aggression to Japan by some foreign powers should occur, the Japanese "mood" would change rapidly to support for rearmament and consequently revision of the Constitution. This possibility certainly exists, but this argument seems to be based on assumptions which will be actualized with very small probability.

But, at the same time, several comments and reservations are in order in view of the recent activities of the "Japanese Red Army" abroad. There are continued possibilities that those minority radicals will resort to individual or small group terrorism both abroad and at home.

Those incidents belong to a different level of things. It is not the expression of general bellicosity of the Japanese people, but the expression of new-left minority radicals, widely found also in North America and West European countries for one thing, and Japanese ignorance of the Arabs and non-existence of the connection between Japanese radicalism and Jewish intellectuals as is found in North America or West Europe.

It is thus undeniable that the radical minorities on the far left will continue to do terrorism abroad in supporting the Arabs (or, precisely, being utilized by the Arabs) and also bombing main offices of such companies as the Mitsubishi Heavy Industry Co. or the Mitsui Bussan Co. within Japan. The ultra-rightists, too, will be able to recruit a small number of new members constantly from the youth both in and outside universities, and they might succeed in political terrorism in the future too, such as the assassination of the Socialists' Chairman Inejiro Asanuma, which occurred in 1960. As a whole, however, the Japanese younger generations have the political beliefs congruent with, and definitely supporting the 1947 Constitution.

b) Emergence of "participation" and "protest" motivations and movements

On the other hand, there is occurring an ongoing change of political beliefs, which is not incompatible with the beliefs in the 1947 Constitution, but is not identical with it, and which will exercise a far-reaching influence on the future of Japanese democracy. It is a change from submissiveness to authority to active protesting and demanding of participation, i.e., from "subject" political culture to "participatory" political culture.

There are beautiful data which show this change (Table 1).

Table 1

Responses to the question "In order to improve Japanese nation, do you agree or disagree to the statement that, if a competent politician is available, it is better to leave things to him instead of discussing them among ordinary citizens."

	Agree	Case by case	Disagree	Others, DK, NA	Total
1953	43	9	38	10	100% (n=2,254)
1958	35	10	44	11	100% (n=2,369)
1963	29	12	47	12	100% (n=2,698)
1968	30	10	51	9	100% (n=3,033)
1973	23	15	51	11	100% (n=3,055)

Source: Institute of Mathematical Statistics, Ministry of Education, A Study of the Japanese National Character --The Fifth Nation-wide Survey--, 1973.

Two comments are specially warranted on this table. One, in 1953 when the first survey was conducted, a majority of the Japanese over 20 years old were prepared to leave things to competent politicians, if such were available. In other words, at that time, the majority of the masses were prepared to obey a competent politician; therefore, the governability problem was simply a problem of the politicians - that is, whether such competent politicians were available or not. Two, during, the period of economic growth, people have become more self-assertive and have come to dislike leaving things even to competent politicians. Then, the governability problem becomes the problem of not only the competence problem of governing, but the problem of both the governing and the governed.

Other cross-national data show the existence of phenomena of increasing demands for participation in Japan similar to those in West European and North American countries. To the question asking the respondents to choose two most important values from "law and order," "encouragement of more participation in vital political decisions," "restraint of the rise of prices," and "freedom of speech," which was used in Professor Ronald Inglehart's six West European surveys,(11) Japanese respondents reacted in the following way. First, according to the marginal distribution, "price-restraining" got the first choice (70.4%), and the others following with "law and order" 45.3%, "participation" 35.1%, and "freedom of speech" 13.8%. The age and educational differences, however, were conspicuous. Among younger people in their twenties and those with university education, the choice of "participation" surpassed that of "law and order" and got the second ranking next to "the price." In combination of the choice of two values, the combination of "participation & free speech," which Professor Inglehart assumed to be the pure type of "post-industrial value," was less popular in Japan than in West European countries. Japanese responses, however, were more bulky in the intermediary type of "prices and participation." (Tables 2 and 3) And again, the younger and the more educated clearly show their preference for the value of participation. (In the case of the younger, those in their twenties, about 15% prefer the combination of "participation and free speeches," and, if coupled with "participation and prices," they are the top choice.)

Table 2

Japanese choice of combination of two values

Order & Prices	Order & Speech	Order & Participation	Prices & Free Speech	Prices & Participation	Free Speech & Participation	Others	None DK NA	Total
32.6	3.0	7.2	6.8	21.5	3.6	15.9	9.3	100% (n=2,468)

Table 3

"Pure" Value Pairs by Nations (Percentage choosing each pair within given national sample)

Pair chosen:	Italy	France	Germany	Britain	Japan
Acquisitive	35	38	43	36	38
Post-bourgeois	13	11	10	8	4

(Figures for Italy, France, Germany and Britain are from Inglehart, op.cit., p. 995)

The heightening of participatory motivation, however, is often related to increasing distrust of institutionalized channels of participation -- that is, elections and political parties. Thus, the other side of the coin is the decline of political parties and rise of various voluntary citizens' and residents' movements which hate and refuse to follow the leadership of any political party and prefer protests instead of institutionalized participation. According to a recent nationwide survey,(12) the responses to the question "which would you prefer about the future of Japanese party politics -- one, to back up the political party which can be relied on; two, to promote citizens' or residents' movements as they become necessary; three, I have

nothing to do with political parties or politics at all?" -- are divided as follows: 57.0% chose the first, 17.3% the second, and 5.3% picked the third response. This distribution is not so bad from the vewpoint of political parties. Again, however, the younger (among those in their twenties, 22.4% prefer citizens' movements to parties, and 6.5% are totally against politics) and the more educated (23.1% of the university graduates prefer citizens' movements rather than political parties) have less trust in institutional channels of participation and are turning more to uninstitutional, protest-oriented movements.

Protest-oriented movements have been spreading beyond those younger and more educated, beyond urban and industrial areas, to those older, less educated, and to local, agricultural and fishery areas. The Mutsu, the first Japanese nuclear-powered test-ship, drifted for 54 days because of fierce protest actions of the fishermen of the bay in which the base for that ship was located. The reasons for this protest were reported to be rather complicated ones. Fear of nuclear accidents and consequent possible contamination was certainly one of the reasons. However, at the same time, the antipathy of the fishermen living in the "periphery" and ill-treated by the "center" for a long time against the government was reported to be another reason. The point of the drifting incident of the Mutsu was that, whatever the reasons for the protest were, even the fishermen in remote local areas were prepared to organize protest movements when they felt the government was doing them an injustice. Also, farmers are no longer silent and obedient to the government whenever they feel they are treated unjustly -- much less the more educated and the younger urban or suburban dwellers.

In this respect, if "governability" involves the capacity of the government to impose unilaterally policies or plans which will affect the living of the citizens concerned, certainly such governability in Japan has been decreased. But on the other hand, in case of Japanese government, because of its long tradition of "Obrigkeit-staat," its behavior vis-a-vis citizens often violates the usual standard of democracy. In order to talk about the governability of democracy in the Japanese case, sometimes still democracy should be emphasized at the cost of governability. Moreover, the cost can be partly covered by learning and efforts on the side of bureaucrats to be more careful and humane in doing their business. Fortunately, Japanese bureaucrats -- both national and local -- have nowadays such learning capacity. Another factor which has worked so far in recent years is the financial ability of government to afford additional spending in order to appease the protest movement by compensating the alleged damage or promising costly change of plans. Certainly it is an easy solution, avoiding the priority problem, which will become difficult in the approaching tighter governmental budget situation.

2. Social and Economic Values

In a society such as Japan after World War II where indoctrination from the above with the threat of punishment was non-existent, where any kind of religious inhibitions after the separation of the Shinto from the state were virtually non-existent, and where social changes such as urbanization, rise of income and change of consumption styles due to the rapid economic changes were so rapid, it would be naturally expected that every aspect of social

relationships and values underlying them would change considerably. Again, the most beautiful data showing these kinds of changes of social relations and their underlying values are found in the surveys conducted by the Institute of Statistical Mathematics, Ministry of Education, in every five years since 1953. That is, to the question that "there are all sorts of attitudes toward life. Of those listed here (the list is shown), which one would you say comes closest to your feeling?" the percentages of those who picked up "don't think about money or fame; just live a life that suits your own tastes," have increased from 21% in 1953 to 27% in 1958, 30% in 1963, 32% in 1968, and 39% in 1973 by national average.(13) People have come to prefer less strenuous, more relaxed ways of life. The change has been most conspicuous among younger generations and the accumulation of such changes resulted in the above figures.

What are the effects of such value changes on Japanese working behavior? Other survey data(14) show that the younger workers have stronger demands for shorter working hours, more holidays, longer vacations, on one hand, and on the other, more opportunity for self-actualization on the job (Table 4). However, the same table tells us about a number of other features of Japanese workers' demands: (1) Even among the young workers, demand for raise of wages is still the most outstanding demand. Certainly money is not the goal of life as the above-mentioned survey data show. However, the wage increase is the gravest concern for workers in all ages. (2) Especially middle-aged people with growing family have increased desire to own a house, particularly on purchased land, which will serve as the most secure property in an age of continued inflation. (3) Senior workers are naturally more concerned about their retirement, health care and other welfare measures.

Table 4

Demands Raised by Male Workers (M.A.)

(in percentages)

Item \ Age	-19	20-24	25-29	30-34	35-39	40-44	45-54	55-64	65-
Shorter Working Hours	49.0	42.5	37.1	34.6	32.3	29.6	24.5	28.8	30.4
More Suitable Job	19.9	24.4	23.7	17.4	17.3	14.5	14.4	14.9	10.4
Life-long Chance for Improvement	12.7	16.4	15.6	15.0	11.9	10.3	9.9	6.3	7.2
Help for House-Property Building	12.2	17.5	23.7	27.9	27.5	26.4	22.7	20.2	15.2
Wage Increase	63.8	63.1	65.7	66.9	67.8	65.9	60.8	51.7	42.4
Extension of Retirement Age	3.1	3.0	4.5	7.4	11.3	18.0	32.8	30.0	27.2
Welfare Measures	14.0	15.3	12.0	12.5	10.9	0.9	9.4	18.1	33.6
Prevention of Work Accidents	13.1	8.9	8.0	8.4	10.6	13.4	14.7	14.2	12.8

In spite of the changing values of the workers, the Japanese organizations -- both governmental organizations and private enterprises -- have coped skillfully so far in maintaining a high level of motivation for work among their employees, as indicated by a very low rate of absence (2.12% in a survey of February, 1973 (15)). The reasons for this success are: (1) The work force still contains a large proportion of older generations who are committed to older values which lay emphasis on dedication to hard work and loyalty to the organizations. It is often pointed out that the middle-aged middle-management people in particular have a generational feature of this kind. (2) Japanese big organizations with their paternalistic tradition have the capacity and resources to absorb a variety of demands of the workers of various generations including the youngest: better medical care, housing loans with lower interest, better recreational facilities, and of course, so far, large annual increases in wages. Moreover, they are now introducing five-day work weeks, longer vacations, and an extension of the retirement age from 55 to 60 -- in these points, they have the cards to make concessions to workers' demands. (3) The Japanese younger generations are, in comparison with the previous, older generations, less work-oriented, less organization-oriented, and more self-assertive. In comparison with West European or American youth, however, the present Japanese youth still retain some "virtues" favorable to the functioning of organizations hitherto operative in Japan, if organizations are clever enough to make some partial improvement in their operations. For instance, according to the above-mentioned "National Character" surveys, the preference by the Japanese for department chiefs who are paternalistic over those who are rationally specific remains unchanged over time. (16) And, as cited above,

many of them want "self-actualization on the job." According to an eleven country study of youth conducted by the Japanese government, the percentages of Japanese youth who have chosen "a job worth doing" as the most precious thing in their lives are the highest among the countries surveyed. In spite of signs of lowering, and less diffuse commitment to the organizations among Japanese youth, still comparatively speaking, the Japanese youth are seeking more from the organizations, and, when organizations are flexible enough to introduce some improvement to take care of more self-assertive youth, they can maintain a fairly high level of work motivation among the youth, keeping the basic lines of Japanese organizations such as life-employment, enterprise union, diffuse social relationships within the organizations, and so on. Actually, so far there has never even been serious discussion of abolishing the belt conveyor system in assembly lines in Japanese factories.

All the labor and business specialists seem to agree (17) that the Japanese organizational structures with life-long employment, enterprise unions, relatively strong commitment to the organizations, higher motivation to work will survive at least until 1980, as far as the internal factors within them are concerned. But, conversely, this means that in the first part of the 1980s Japan will reach the critical point where the accumulated changes of work ethics, attitudes toward life, and those toward company and union, will necessitate corresponding changes in the hitherto established institutions and practices in labor relations. Therefore, it will be wiser for Japanese society to prepare for that period and preempt some of the anticipated reforms in advance.

III. Consequences for and Future Perspectives on the Governability of Japanese Democracy

1. Time Lag

Comparing the three regions, Japanese democracy seems to be suffering less from various changes, which have already brought threatening effects on democracies in the other two regions. Japan seems to be enjoying the time lag between causes already occurred and the consequences to follow, partly due to the remaining reservoir of traditional values,(18) and partly due to the structure of her economy.

2. Decline of Leadership and Delay of Decisions

Some of the consequences of these changes have, however, already emerged to weaken the leadership capacity of Japanese democracy, and the world situation has been changing to the direction of demanding more positive action of Japan, which will be generated only by a higher level of leadership capacity.

As is well known, LDP is facing the possibility of losing majority position in the Diet. The opposition parties are split, i.e., there is no opposition party which can take the responsibility of governing by itself. Of course, a multi-party system and coalition formation are not intrinsically dysfunctional to the operation of democracy. Moreover, LDP as the majority governing party for twenty years generated a number of dysfunctions such as a sense of alienation on the part of the supporters of opposition parties, excessive fusion of LDP with bureaucracy and big business, the ethical problem of political funds, and sporadic attempts to

revive some part of pre-War institutions, thereby causing unnecessary frictions.(19) On the other hand, since coalition formation is quite a new experience to Japanese politics on the national level, some confusion and delay of decision would be unavoidable. Especially in foreign policy decision making, any coalition -- even the most moderate one of LDP and the small Democratic Socialists -- will bring with it a weakening of the Japan-U.S. alliance to some degree and probably recourse to a less positive role in international affairs, from the U. S. viewpoint. In other words, coalition formation can bring more drifting or flexible foreign policy than that under LDP's single rule.(20) Domestically also, multi-party system and coalition formation are good for interest articulation but not necessarily good for interest aggregation. Even under LDP's single rule, pressure groups have been rampant in getting shares in government budget. Any coalition will be exposed to more diverse pressures in budget making and policy formation.

3. Vagaries of Urban, Educated Non-Partisans

A decade ago, the Socialists seemed to have a bright future, replacing LDP and taking the position of governing party at some time. The Socialists were then getting the support of the more educated in the urban areas.(21) Today, however, in the urban areas, not only LDP, but also the Socialists are declining. The Komei, the Communists, and, although in less degree, the Democratic Socialists are getting a larger share of the votes than before. But those parties are also uncertain about their future, because what exists in big cities is a vast number of floating voters with non-partisan orientation,

whose educational level is high. It seems that no single party will be able to organize this section of the voters as the solid basis for it. Fortunately, the possibility is quite slim or non-existent that these people will come to support the extreme rightists or extreme leftists even in the case of a sudden international or domestic crisis. But they are vagarious in voting, switching their votes from one party to another, and they like to vote for a popular non-partisan candidate if such a candidate can be found. Successful candidates in gubernatorial elections or mayoral elections in urban areas are those who can appeal to this kind of voter in addition to the support by more than one party. This increasing importance of urban, educated non-partisans has a positive function in making politicians and political parties more responsive to the demand of the populace outside their intrinsic supporters. On the other hand, however, by encouraging excessive populistic responsiveness to the politicians and political parties, this can also lower the integration capacity of them.

4. The Place of the Communists in Multi-Party System

The Japan Communist Party has been successful in recent elections in increasing its votes and seats at both the national and local level. To take the case of the House of Representatives, JCP's votes have increased from 2.2 million (4.76% of the total votes cast) in 1967 to 3.2 million (6.81%) in 1969, and to 5.5 million (10.49%) in 1972. Especially in metropolitan areas, JCP is now getting about 20% of the total votes. And JCP has more than 300,000 members (virtually the largest solid party membership in Japan) and its daily party newspaper has more than a million circulation.

A number of prefectural governors and big city mayors were elected with the joint support of JCP together with the Socialists, and, in some cases, the Komei Party.

Does the JCP present any possible threat to the governability of Japanese democracy in near future? Most of the observations seem to agree with the negative, i.e., an optimistic answer, for the following reasons. One, JCP seems to be approaching its ceiling in terms of share of the votes. Fifteen percent as a nationwide average and 30% in metropolitan areas where JCP is maintaining its stronghold would be the ceiling at least for the 1970s. Two, one of the big factors which contributed to the increase of support for JCP is its "soft" and flexible domestic policies and rather nationalistic foreign policies independent from the Soviet and Chinese Communist Parties. Domestically, JCP with an average of 15% of the votes, or 30% in big cities, adopting soft lines would do no harm at all to Japanese democracy. Many domestic issues would be negotiable with this kind of JCP. In foreign policy area, an independent and nationalistic JCP will function as a factor to enhance Japan's isolation, not only from the U.S. but also from China and other Asian countries. In this respect, it can be said that JCP works dysfunctionally.

5. What Would Happen in 1980s?

Japanese democracy is not in a serious crisis at the present moment. However, the above-mentioned time lag means that Japanese democracy will face the consequences of social changes in some future, possibly tighter situation. In comparison with the United States, where the "democratic

surge" can be regarded as already having passed the peak, in Japan, there is no sign of decline in the increasing tide of popular demands. On the other hand, financial resources of the government are showing signs of stagnation. The reservoir of traditional values of obedience, groupism, frugality, etc. which are still working to counter-balance the rising tide of popular demands and protest might be exhausted in some future. Thus, the emergence of the time-lagged consequences and the exhaustion of the "traditional" reservoir will both come in the early 1980s, as many people argue.

What will become of Japanese democracy after 1980? According to a survey on "national goals,"(22) a majority of the Japanese leaders surveyed believe that Japan will continue to be committed to democratic principles and "uniquely Japanese democracy" in future. But what would it be and how can it be built are quite unclear yet.

Footnotes

(1) Cf. Joji Watanuki, "Contemporary Japanese Perceptions of International Society," Sophia University, Institute of International Relations Research Paper Series A-13, 1973.

(2) Cf. Joji Watanuki, "Formation and Survival of Japanese Democracy after the Second World War," a paper presented to the VIII World Congress of Sociology, Toronto, Canada, August, 1974.

(3) As for koenkai, see also Joji Watanuki, "Japanese Politics in Flux," in James William Morley (ed.), Prologue to the Future -- The United States and Japan in the Postindustrial Age (Lexington: D.C. Heath & Co., 1974), pp.77-79.

(4) According to the report of the revenue of political funds compiled by Ministry of Autonomy for the first half of 1974, out of 51.6 billion yen (US$172 million) political fund registered in total, LDP itself and LDP factions together got 40.0 billion yen. The Yomiuri Shimbun, December 25, 1974. Moreover, it is widely believed that, if we take "hidden money" into consideration, LDP is spending more. For instance, it was pointed out that the real sum of money LDP spent in 1972 was nearly 100 billion yen, although official record for that year was 26 billion yen. See Bungei Shunju, September, 1974.

(5) According to a survey on Bureau and Section Chiefs of Japanese national bureaucracy, 37% of them answered that they are independent, asked about their party preference. Especially in the Ministry of International Trade and Industry and Economic Planning Agency, majority chose the position of independent. This is proof of high political neutrality of technocrats. Nikkei Business Henshubu, Nippon no Kigyo Kankyo (Tokyo: Nippon Keizai Shimbun, 1974), pp.182-183.

(6) Ibid., p.72.

(7) Definitions: general account excluding special accounts and governmental investment, starting budget not counting additional budget, and in nominal value.

(8) These figures are cited from Nobutaka Shikauch "Nihon no Masukomi no Genjo to Fuji-Sankei-Group no Chosen," Seiron, November, 1974. Also, I am indebted to this article in describing the characteristics of Japanese mass media.

(9) As for this, for instance, see, Education Committee, OECD, "Review of National Policies for Education," November, 1970.

(10) For instance, see Joji Watanuki, "Contemporary Japanese Perceptions of International Society," op.cit., Table 4 in appendix.

(11) Japanese data were gathered by Komei Senkyo Renmei in a nationwide survey conducted in December, 1972. European data were based on a survey conducted by Professor Inglehart. See Ronald Inglehart, "The Silent Revolution in Europe: Intergenerational Change in Postindustrial Societies," American Political Science Review, Vol. LXV, No. 4 (December 1971), pp.991-1017.

(12) Komei Senkyo-Renmei, Sangiin Tsujosenkyo no Jittai, 1974.

(13) Institute of Statistical Mathematics, A Study of the Japanese National Character -- The Fifth Nationwide Survey --, Research Report General Series No. 38, 1974, p.25.

(14) From a survey conducted by the Ministry of Labor in 1971. Cited from Shokuken, 1974, Spring, p.3.

(15) From the survey on the illness and absence of the laborer, conducted by the Ministry of Labor, in February, 1973. Moreover, vacations are counted as a kind of absence.

(16) Institute of Mathematical Statistics, op.cit., p. 55.

(17) Sadayoshi Okubo, Rodo no Miraiyosoku [Prediction of Future Labor] (Tokyo: Teikoku Chihogyosei Gakkai, 1972).

(18) Especially since the oil crisis, many argue that we have to return to traditional values. For instance, ex-Vice Minister of MITI, Mr. Eimei Yamashita, answered to the question by Mr. Bernard Krisher, Newsweek's Tokyo bureau chief, as follows: "Q. What about the impact of Japan's economic crunch on traditional values? A. I see it as leading to a return to traditional values rather than a departure from them. During the past decade, Japanese youth abandoned all ideas of saving. They spent lavishly on clothes, electronics and cars. But since the oil crisis, we have returned to more basic Japanese concepts. I don't think we will revert entirely to the mentality of Tokugawa feudalism, but we will be able to strike a happy balance." Newsweek, Nov. 18, 1974, p. 15.

(19) For instance, even today, under Miki Cabinet, some LDP members are tenaciously trying to make the Yasukuni shrine -- a shinto shrine dedicated to those who died in battle since Meiji -- a national institution, despite fierce protest from not only opposition parties but also Christians.

(20) Whether the Japanese foreign policy will be labelled as "drifting" or "flexible" depends on whether we can establish our own principles of diplomacy under multi-party system or not.

(21) Cf. Joji Watanuki, "Patterns of Politics in Present-day Japan," S.M. Lipset and Stein Rokkan (eds.), Party Systems and Voter Alignments (New York: The Free Press, 1967).

(22) Yasumasa Tanaka, "Toward a Multi-Level, Multi-Stage Model of Modernization: A Case Study of Japanese Opinion Leaders on the Present and Future National Goals," Gakushuin Review of Law and Politics, 9, 1974, p. 27.

CHAPTER V - CONCLUSIONS AND
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I. The Changing Context of Democratic Government

If ever there was a democratic success story, it was written by the Trilateral societies during the quarter century following World War II. The components of that success included: generally positive and broad-gauged political leadership within individual countries and by the United States for the community of democratic nations; sustained and, for some countries, spectacular economic growth; widespread social and economic amelioration, involving a lessening of class conflict and the assimilation of substantial portions of the population to middle-class values, attitudes, and consumption patterns; and successful resistance, on a collective and individual basis, to the challenges posed externally by Soviet military might and internally by communist party strength. During these years democratic institutions, mostly of a parliamentary nature, demonstrated their viability in all the Trilateral societies; liberal, conservative, social democratic, and christian democratic parties competed with each other in regular elections and shared the responsibilities of government and the opportunities for opposition; individual citizens and organized groups participated more actively in the politics of their societies than they had previously; the rights of the citizen against the state became more firmly guaranteed and protected; and new institutions for international collaboration among democratic societies emerged in Europe for economic and political

purposes, between North America and Europe for military purposes, and among Europe, North America, and Japan for economic purposes.

This happy congruence of circumstances for democracy has come to an end. The challenges which democratic governments face now are the products of these past successes as well as changes in past trends. The incorporation of substantial elements of the population into the middle classes has escalated their expectations and aspirations, thereby causing a more intense reaction if these are not met in reality. Broadened political participation has increased the demands on government. Widespread material well-being has caused a substantial portion of the population, particularly among the young and the "intellectual" professional classes, to adopt new life styles and new social-political values. Internationally, confrontation has given way to detente, with a resultant relaxation of constraints within societies and of the impetus to collaborate among societies. There has been a substantial relative decline in American military and economic power, and a major absolute decline in American willingness to assume the burdens of leadership. And most recently, the at least temporary slowdown in economic growth has threatened the expectations created by previous growth while still leaving existent the "postbourgeois" values which it engendered among the youth and intellectuals.

II. Consensus Without Purpose: The Rise of Anomic Democracy

Dissatisfaction with and lack of confidence in the functioning of the institutions of democratic government have thus now become widespread in Trilateral countries. Yet with all this dissatisfaction, no significant support has yet developed for any alternative image of how to organize

the politics of a highly industrialized society. Before World War II both right-wing and left-wing movements set forth clear-cut political alternatives to the "decadent" institutions of "bourgeois" parliamentary democracy. Today those institutions are accepted even if they are not praised. The active proponents of a different vision of the political order are, by and large, limited to small bands of radical students and intellectuals whose capacity to attract attention through propaganda and terrorism is heavily outweighed by their incapacity to attract support from any significant social groups. In Japan, the "occupation" Constitution is now accepted as the way in which Japanese politics will be organized for the foreseeable future. In Europe, even the French and Italian communist parties have adapted themselves to the democratic game and at least assert that if admitted to power they will continue to play according to the rules of that game. No significant social or political group in a Trilateral society seriously proposes to replace existing democratic institutions with a nationalist autocracy, the corporate state, or even the dictatorship of the proletariat. The lack of confidence in democratic institutions is clearly exceeded by the lack of enthusiasm for any alternative set of institutions.

What is in short supply in democratic societies today is thus not consensus on the rules of the game but a sense of purpose as to what one should achieve by playing the game. In the past, men have found their purposes in religion, in nationalism, and in ideology. But neither church nor state nor class now commands men's loyalties. In some measure, democracy itself was inspired by and its institutions shaped by manifestations of each of these forces and commitments. Protestantism sanctified

the individual conscience; nationalism postulated the equality of citizens; liberalism provided the rationale for limited government based on consent. But now all three gods have failed. We have witnessed the dissipation of religion, the withering away of nationalism, the decline -- if not the end -- of ideology.

In a non-democratic political system, the top leadership can select a single purpose or closely related set of goals and, in some measure, induce or coerce political and social forces to shape their behavior in terms of the priorities dictated by these goals. Third World dictatorships can direct their societies towards the "overriding" goal of national development; communist states can mobilize their populace for the task of "building socialism." In a democracy, however, purpose cannot be imposed from on high by fiat; nor does it spring to life from the verbiage of party platforms, state of the union messages, or speeches from the throne. It must, instead, be the product of the collective perception by the significant groups in society of a major challenge to their well-being and the perception by them that the threat threatens them all about equally. Hence, in wartime or periods of economic catastrophe common purposes are easily defined. During World War II and then the Cold War, there was a general acceptance in the United States of the overriding priority of national security as a goal. In Europe and Japan, after World War II, economic reconstruction and development were supported as goals by virtually all major groups in society. World war, economic reconstruction, and the cold war gave coherence to public purposes and imposed a set of priorities for ordering government policies and programs. Now, however, these

purposes have lost their salience and even come under challenge; the imperatives of national security are no longer obvious, the desirability of economic growth no longer unquestioned.

In this situation, the machinery of democracy continues to operate, but the ability of the men operating that machinery to make decisions tends to deteriorate. Without common purpose, there is no basis for common priorities, and without priorities, there are no grounds for distinguishing among competing private interests and claims. Conflicting goals and specialized interests crowd one in upon another, with executives, cabinets, parliaments, and bureaucrats lacking the criteria to discriminate among them. The system becomes one of anomic democracy, in which democratic politics becomes more an arena for the assertion of conflicting interests than a process for the building of common purposes.

III. The Dysfunctions of Democracy

Quite apart from the substantive policy issues confronting democratic government, many specific problems have arisen which seem to be an intrinsic part of the functioning of democracy itself. The successful operation of democratic government has given rise to tendencies which impede that functioning.

(1) The pursuit of the democratic virtues of equality and individualism has led to the delegitimation of authority generally and the loss of trust in leadership.

(2) The democratic expansion of political participation and involvement has created an "overload" on government and the imbalanced expansion of governmental activities, exacerbating inflationary tendencies in the economy.

(3) The political competition essential to democracy has intensified, leading to a disaggregation of interests and the decline and fragmentation of political parties.

(4) The responsiveness of democratic government to the electorate and to societal pressures has led to nationalistic parochialism in the way in which democratic societies conduct their foreign relations.

1. The Delegitimation of Authority

In most of the Trilateral countries in the past decade there has been a decline in the confidence and trust which the people have in government, in their leaders, and, less clearly but most importantly, in each other. Authority has been challenged not only in government, but in trade unions, business enterprises, schools and universities, professional associations, churches, and civic groups. In the past, those institutions which have played the major role in the indoctrination of the young in their rights and obligations as members of society have been the family, the church, the school, and the army. The effectiveness of all these institutions as means of socialization has declined severely. The stress has been increasingly on the individual and his rights, interests, and needs, and not on the community, and its rights, interests, and needs. These attitudes have been particularly prevalent in the young but they have also appeared in other age groups, especially among those who have achieved professional, white-collar, middle-class status. The success of the existing structures of authority in incorporating large elements of the population into the middle class, paradoxically, strengthens precisely those groups which are disposed to challenge the existing structures of authority.

The democratic spirit is egalitarian, individualistic, populist, impatient with the distinctions of class and rank. The spread of that spirit weakens the traditional threats to democracy posed by such groups as the aristocracy, the church, and the military. At the same time, a pervasive spirit of democracy may pose an intrinsic threat and undermine all forms of association, weakening the social bonds which hold together family, enterprise, and community. Every social organization requires, in some measure, inequalities in authority and distinctions in function. To the extent that the spread of the democratic temper corrodes all of these, exercising a leveling and an homogenizing influence, it destroys the bases of trust and cooperation among citizens and creates obstacles to collaboration for any common purpose.

Leadership is in disrepute in democratic societies. Without confidence in its leadership, no group functions effectively. When the fabric of leadership weakens among other groups in society, it is also weakened at the top political levels of government. The governability of a society at the national level depends upon the extent to which it is effectively governed at the subnational, regional, local, functional, industrial levels. In the modern state, for instance, powerful trade union "bosses" are often viewed as a threat to the power of the state. In actuality, however, responsible union leaders with effective authority over their members are less of a challenge to the authority of the national political leaders than they are a prerequisite to the exercise of authority by those leaders. If the unions are disorganized, if the membership is rebellious, if extreme demands and wild-cat strikes are the order of the day, the formulation and

implementation of a national wage policy become impossible. The weakening of authority throughout society thus contributes to the weakening of the authority of government.

2. The Overloading of Government

Recent years in the Trilateral countries have seen the expansion of the demands on government from individuals and groups. This expansion takes the form of: (a) the involvement of an increasing proportion of the population in political activity; (b) the development of new groups and of new consciousness on the part of old groups, including youth, regional groups, ethnic minorities; (c) the diversification of the political means and tactics which groups use to secure their ends; (d) an increasing expectation on the part of groups that government has the responsibility to meet their needs; and (e) an escalation in what they conceive those needs to be.

The result is an "overload" on government, and the expansion of the role of government in the economy and society. During the 1960s governmental expenditures as a proportion of GNP increased significantly in all the principal Trilateral countries, except for Japan. This expansion of governmental activity was tribute not so much to the strength of government as to its weakness, the inability and unwillingness of central political leaders to reject the demands made upon them by numerically and functionally important groups in their society. The impetus to respond to the demands which groups made on government is deeply rooted in both the attitudinal and structural features of a democratic society. The democratic

idea that government should be responsive to the people creates the expectation that government should meet the needs and correct the evils affecting particular groups in society. Confronted with the structural imperative of competitive elections every few years, political leaders can hardly do anything else.

Inflation is obviously not a problem which is peculiar to democratic societies, and it may well be the result of causes quite extrinsic to the democratic process. It may, however, be exacerbated by a democratic politics and it is, without doubt, extremely difficult for democratic systems to deal with effectively. The natural tendency of the political demands permitted and encouraged by the dynamics of a democratic system helps governments to deal with the problems of economic recession, particularly unemployment, and hampers them in dealing effectively with inflation. In the face of the claims of interest groups, labor unions, and the beneficiaries of governmental largesse, it becomes difficult if not impossible for democratic governments to curtail spending, increase taxes, and control prices and wages. In this sense, inflation is the economic disease of democracies.

3. The Disaggregation of Interests

A primary function of politics is to aggregate the various interests in society so as to promote common purposes and to create coalitions behind policies and leaders. In a democratic society this process takes place through complicated processes of bargaining and compromise within government, within and between the political parties, and through electoral competition. The multiple sources of power in a democratic society insure

that any policy decision, when it is made, usually has to have the at least tacit support of a majority of those affected by and concerned with it. In this sense, consensus-building is at the heart of democratic politics. At the same time, however, the opportunities which democratic politics offers to particular opinions, interests, and groups to be represented in the political process necessarily tend to stimulate the formulation and articulation of such opinions, interests, and groups. While the common interest is in compromise and consensus, it is often beneficial to the particular individual or group to differentiate its interests from other interests, to assert that interest vigorously, and at times to be intransigent in defending that interest against others. In a democracy, in short, the top political leaders work to aggregate interests; the political process often works to disaggregate them.

The most obvious political manifestation of the disaggregation of interests and the withering away of common purposes is in the decomposition which has affected the political party systems in Trilateral societies. In almost every country the support for the principal established political parties has declined, and new parties, small parties, and antiparty movements have gained in strength. At one time or another during 1974, no party had a majority in the legislatures of Great Britain, Canada, France, the Federal Republic of Germany, Italy, Belgium, the Netherlands, Norway, Sweden, and Denmark. And the functional equivalent to the lack of a majority existed in the United States with different parties in control of the executive and legislative branches of the government. This failure of the party system to produce electoral and parliamentary majorities obviously had adverse effects on the ability of governments to govern.

A party system is a way of organizing the electorate, simplifying choice, selecting leaders, aggregating interests, and shaping policy choices and priorities. The development of political parties in the nineteenth century went hand-in-hand with the expansion of the suffrage and the increased responsibility of governments to their citizens. Parties made democratic government possible. Throughout the twentieth century, the strength of democracy has varied with the strength of the political parties committed to working within a democratic system. The decay of political party systems in the industrialized world poses the question: How viable is democratic government without parties or with greatly weakened and attenuated parties?

4. Parochialism in International Affairs

Just as the opportunities afforded by the democratic process tended to increase the strength and assertiveness of particularistic groups domestically, so also they tended to encourage a greater degree of parochialism in international affairs.

The seeming decline in the external military threat produced a general slackening of concern throughout the Trilateral countries with the problems of security. In the absence of a clear and present danger to security, it is very difficult to mobilize support within a democracy for measures which may be necessary to provide for security. In the European and North American countries, compulsory military service has been reduced or abandoned entirely; military expenditures have declined substantially in real terms and relative to national product; antimilitarism has become

the vogue in intellectual and political circles. Yet detente presumably rests upon the achievement of a rough military balance between the communist powers and the democracies. During the 1960s the military exertions of the communist powers brought such a balance into being and hence made detente feasible. During the 1970s military passivity on the part of the democracies could well undermine that balance and hence the basis for improved relations with the communist states.

By and large, the quarter century after World War II saw a removal of restrictions on trade and investment, and a general "opening up" of the economies of the industrialized, capitalist countries. In times of economic scarcity, inflation, and possible long-term economic downturn, however, the pressures in favor of nationalism and neo-mercantilism mount and democratic political systems find themselves particularly vulnerable to such pressures from industry groups, localities, and labor organizations which see themselves adversely affected by foreign competition. The ability of governments to deal with domestic social and economic problems is reduced, as well as the confidence people have that they will be able to deal with those problems. As a result, the leaders of democratic governments turn increasingly to foreign policy as the one arena where they can achieve what appear to be significant successes. Diplomatic triumph becomes essential to the maintenance of domestic power; success abroad produces votes at home. Heath and the Common Market, Brandt and the Moscow treaties, Nixon in Peking and SALT I, Pompidou in challenging American leadership, may or may not have done the best in terms of securing the long-term interests of their countries, but their domestic political

needs left them little leeway not to come up with something. At the same time, the impact of inflation and domestic special interests engenders economic nationalism increasing the difficulties of cooperative action among the democratic powers. As a result, democratic leaders display greater eagerness to compromise when negotiating with their enemies and have greater difficulty in compromising when they negotiate with each other.

While the processes of democratic politics induce governmental leaders to look abroad for victories to sustain them at home, those same processes also tend to produce a tendency towards greater provincialism and nationalism in their outlook. The parochialization of leadership is surely one of the most striking trends of the past decade in the Trilateral democracies. Down through the early 1960s, leading statesmen in the democratic countries not only had (as was a prerequisite to statesmanship) a standing among their own people, but they also often had an appeal and a standing abroad among people in the other industrialized democracies. They were, in a sense, Trilateral statesmen as well as national statesmen. The resignation of Willy Brandt, however, removed from the scene the last of the democratic leaders who had a stature, a reputation, and a following that transcended his own society. This is not to say that the current leaders are necessarily narrowly nationalistic in their outlook and policies. It does mean, however that they are the product of peculiarly national processes and that whatever their qualities as leaders, the names of Gerald Ford, Takeo Miki, Harold Wilson, Giscard d'Estaing, and Helmut Schmidt do not inspire enthusiasm and commitment outside their own societies.

IV. Variations Among Regions

The features we have described above are found in all three Trilateral regions. The relative intensity of the different aspects of the problem varies, however, from country to country and from time to time within a country. The overall legitimacy of government is greater in Great Britain than in Italy. Confidence and trust in political institutions and leaders in the United States was much less during the 1960s and early 1970s than it was in the 1940s and 1950s and very probably considerably less than it will be during the coming years. The differing cultures and political traditions of the various countries means that each problem concerning the governability of democracy manifests itself in different ways and has to be dealt with by different means. Each country has its own peculiar strengths and weaknesses. In continental Europe and in Japan, for instance, there is a tradition of a strong and effective bureaucracy, in part because of the polarization and fragmentation among political parties. This bureaucracy furnishes continuity and stability to the system, functioning in some ways as both a gyroscope and an automatic pilot. In Great Britain and the United States, on the other hand, there are strong traditions of citizen participation in politics which insure the vitality of democracy at the same time that they may lower the competence and authority of government. If one were to generalize, one might say that the problem in the United States is more one of governability than of democracy, in Japan it is more one of democracy than of governability, while in Europe both problems are acute.

The demands on government and the needs for government have been increasing steadily in all the Trilateral societies. The cause of the current malaise is the decline in the material resources and political authority available to government to meet these demands and needs. These deficiencies vary significantly, however, from region to region. In the United States, the government is constrained more by the shortage of authority than by the shortage of resources. In Japan, the government has so far been favored with a huge increase in resources due to rapid economic growth, and it has been able to utilize the reservoir of traditional acquiescence among the people to support its authority. The growth in resources, however, is about the stop, and the reservoir of acquiescence is more and more draining down. In Europe, governments seem to be facing shortages of both authority and resources, which is the major reason why the problems concerning the governability of democracy are more urgent in Europe than in the other Trilateral regions.

At the moment the principal strains on the governability of democracy may be receding in the United States, creating in Europe, and pending in the future for Japan. During the 1960s, the United States went through a period of creedal passion, of intense conflict over racial issues and the Indochina War, and of marked expansion in the extent and forms of political participation. In addition, in the 1970s the United States suffered a major constitutional crisis in the whole complex of issues involved in Watergate and the resignation of the President. At present, much of the passion and intensity has departed from American politics, leaving the political leadership and institutions with the problem of attempting to redefine their functions in

in altered circumstances, restore the prestige and authority of central government institutions, and to grapple with the immediate economic challenges. Japan, on the other hand, appears to still have some time before the major challenges to democracy will come to a head, which they probably will in the early 1980s. Its organizational fabric and patterns of social control, moreover, provide advantages in giving control and direction to the new political forces and demands on government. This gain in time will give the existing democratic institutions in Japan opportunity to further consolidate themselves, and will permit the party leaders in all the major parties to adapt to a situation in which the Liberal Democratic Party no longer commands a secure majority.

Europe, in contrast, has to face current issues which make it the most vulnerable of the three regions at the present time. It must make long-term investment quickly inasmuch as it will not be able to handle its problems with the current resources it has available. In addition, it must maintain a tight enough control over short-run issues since it has to face a crisis from within as well as a crisis from without.

V. Arenas for Action

While significant differences exist among the Trilateral regions, there are, nonetheless, certain institutions and relationships which appear to require strengthening in all three regions. In identifying these "arenas for action" we do not necessarily imply that there is no room for reform and improvement in other aspects of the Trilateral political systems. Nor do we mean to deny that many aspects of the performance of government

in the Trilateral countries are highly satisfactory and in some cases outstanding. By and large, the civil services and bureaucracies are honest, competent, impartial, and responsive to political leadership in the performance of their duties in comparison with those in other regions. So also is the judiciary, although in some societies, such as Japan and the United States, the judicial process is subject to tremendous delays, some inequities in the disposition of cases, and some inconsistencies in judicial decisions. On the whole in the Trilateral societies, however, the rights of individuals and groups to speak, publish, organize, and criticize the government are respected and guaranteed. The military services generally refrain from involvement in politics and are responsive to the leadership of the government. While the Trilateral societies differ greatly in the degree to which government is centralized or decentralized, many countries have in recent years developed new ways of organizing local-national relations and have devised new types of public or semi-public authorities and corporations to occupy the gray area between the governmental and private sectors. In many cases, local governments have experimented with a variety of devices to increase the capacity of government to serve its citizens effectively.

While there is thus much to praise in the performance of democratic government in the Trilateral societies, there are also areas of critical weakness and potential breakdown. The heart of the problem lies in the inherent contradictions involved in the very phrase "governability of democracy." For, in some measure, governability and democracy are warring concepts. An excess of democracy means a deficit in governability; easy

governability suggests faulty democracy. At times, in the history of democratic government the pendulum has swung too far in one direction; at other times, too far in the other.

At the present time, in our judgment, in Western Europe and the United States, the balance has tilted too far against governments; in Japan, as yet, this problem is not acute, although it may well become so. The United States and Western Europe consequently need to restore a more equitable relationship between governmental authority and popular control, and Japan will probably face this necessity in the not-too-distant future. The restoration of this balance requires measures which will bring the distribution of power more into line with the distribution of responsibility. Those who have acquired new power, such as the media, labor unions, intellectuals and technocrats, must be induced to employ that power in a responsible manner. Those who have had the responsibility for decision-making, in cabinets, parliaments, and the political parties must have power commensurate with their responsibility. The steadily rising demands on government by groups in society and the steadily rising need for government to manage the interrelations of a complex society require an increase in the material resources and political authority available to government. In the United States and Western Europe, both have been in short supply already. Even in Japan, both will be in short supply in the future. There are at least seven areas in which these deficiencies can be tackled, which are relevant immediately to Europe and the United States and in the not-too-remote future also to Japan.

1. Effective planning for economic and social development.

The historical record indicates that democracy works best -- indeed, that it may only work -- when there is a gradual but relatively constant increase in the economic well-being of society. Democracies are not well-equipped to deal with shortages. Nor have they generally performed well in coping with inflation. The record of the recent past suggests that in industrialized societies each additional increment in the rate of economic growth tends to be distributed so as to provide more benefits to the poor than the previous increment. Reasonable rates of economic growth and relatively stable prices are essential for the achievement of socio-economic equity. The control of inflation and the promotion of economic growth, taking into careful consideration the effects of such growth on resource exhaustion and environmental pollution, consequently must have top priority on the agenda of democracy. In addition, poverty remains a problem in many parts of Europe and the United States, and governmental programs must give the highest priority to establishing a minimum floor of guaranteed subsistence for all citizens. The specific measures by which governments can promote these goals we leave to economists and planners, but sympathetic consideration should be given to proposals such as that recently advanced in the United States for a new economic planning agency attached to the White House Office. We simply wish here to underline the extent to which the governability of democracy is dependent upon the sustained expansion of the economy. Political democracy requires economic growth; economic growth without inflation depends upon effective democratic planning.

The opportunities for more effective planning are not, moreover, simply confined to issues of economic growth. With their mixed economies and free atmosphere for social science research, the Trilateral societies have

developed and accumulated a vast amount of knowledge and experience concerning other areas of social life as well. Of course, it is still premature for some knowledge and planning skills to yield the right results, and some of the basic assumptions underlying these approaches have been questioned or even have proven to be mistaken. Still, it is one of the assets of the Trilateral societies to have this accumulation of social knowledge which could be used for solution of some social problems. The governments in Trilateral societies have the possibility of becoming "wiser" in terms of allocating scarce resources in the most effective way, searching for alternatives, and assessing the effect of policies by proper use of social knowledge and skills which have been accumulated and may still be developed. More development and exchange of scientific skills and knowledge of planning and social engineering within and among the Trilateral societies are clearly required, through such mechanisms as, for instance, the National Institute of Research Advancement which the Japanese government has established to encourage and coordinate the policy research activities of existing "think tanks."

2. Strengthening the institutions of political leadership.

In recent years, the publics of the Trilateral societies have expected much of their political leaders. As the resignations of Brandt, Tanaka, and Nixon testify, political leaders have been supposed to adhere to strict standards of public morality. They have also been expected to "deliver the goods" in terms of achieving policy outputs and outcomes to which they have committed themselves and their governments. In many instances, however,

political leaders have been left deficient in the institutional resources and authority necessary to achieve these goals. A pervasive suspicion of the motives and power of political leaders on the part of the public has given rise to the imposition of legal and institutional barriers which serve to prevent them from achieving the goals which the public expects them to accomplish. In the long run, the leadership vacuum will be filled in one way or another, and strong institutionalized leadership is clearly preferable to personalized charismatic leadership.

In the United States, the strengthening of leadership institutions requires action with respect to both the Congress and the President. In Congress, for the past decade the trend has been toward a greater dispersion of power in both House and Senate. Yet if Congress is to play an effective governing, as distinct from critical and opposition role, it has to be able to formulate overall goals, determine priorities, and initiate programs. Inevitably this requires some centralization of power within Congress. Given the more egalitarian trends which have manifested themselves in Congress in recent years, the central leadership in both houses clearly has to be accountable to the rank-and-file members. Yet some form of central leadership is essential if Congress is to function effectively. The creation of the new committees on the budget represents a step in the right direction. Whether or not these committees are able to establish themselves as a dominant force in the appropriations process will in itself be one major test of the ability of Congress to organize itself as a governing body.

The imperial Presidency is rapidly disappearing into history, and there is clearly no need to bring it back. There is a need, however, to insure that the pendulum does not swing too far in the other direction. A strong Presidency is essential to the effective conduct of foreign policy, the control of the bureaucracy, and the setting of overall goals and policies. The trend of the last decade toward the steady diminution of the power of the Presidency should be stopped and reversed. The President clearly has the responsibility for insuring national action on critical matters of economic and foreign policy. He cannot discharge that responsibility if he is fettered by a chain of picayune legislative restrictions and prohibitions. Proposed legislative restrictions on presidential power should always be judged by the question: if the President does not exercise this power, who will? If Congress can exercise the power effectively, there may be good grounds for restricting the President. But every restriction of presidential power does not necessarily redound to the benefit of Congress. It may equally well increase the power of bureaucratic agencies or private interest groups.

In Japan, the Prime Minister's leadership has been restricted by the bureaucratic sectionalism of each Ministry. Although there do exist the Prime Minister's Office and the Cabinet Secretariat, the former is a collection of miscellaneous agencies each of which is a more-or-less independent and autonomous mini-Ministry, and the latter does little except for the legislative review authority of its Legislative Bureau. Budget-making is done totally by the Budget Bureau in the Ministry of Finance. In other words, the Prime Minister has no staff, and there is no coordinating agency

under his direct command. As has often been suggested, the institutional strengthening of the Prime Minister's leadership through the transfer of the Budget Bureau from the Ministry of Finance to the Prime Minister's Office or to the Cabinet Secretariat, the creation of positions for high-level aides to the Prime Minister, and the reorganization and development of policy research and coordinating functions in the Cabinet Secretariat and Prime Minister's Office, including various "Deliberation Councils," should be considered seriously.

So far under LDP's single majority rule, the Diet has never exercised any leadership role. The budget presented by the government has been approved by the LDP majority without fail. Almost 100% of the legislation has been presented by the government upon prior consultation with the governing party and approved by the majority in the Diet. In light, however, of the possibility of the loss of majority seats by LDP, the Diet should be prepared to take more initiative in legislation and budget-making.

The European situation, by contrast to the American and to the Japanese, is extremely diverse and does not call therefore for common or even convergent remedies. The French presidency for the time being is extremely strong, much stronger than the American. It has a long tenure; it can intervene freely in most policies without having to account directly for its interventions since it is well protected against any kind of parliamentary attack by the existence of the Prime Minister's office which is a very convenient buffer. If there is a problem, it is to reintroduce democratic checks. If the problem is difficult, it is because very little margin has ever existed in the French tradition and little exists now

between the predominance of the executive, which means too few checks, and the predominance of Parliament, which means a rather impotent regime d'assemblee. The Italian government presents almost exactly the other side of the coin. Its decision-making capacity has almost disintegrated and the only problem is to restore the conditions for developing a stronger, more stable, and more active executive which can at the same time be accepted by the political class.

Even if one does not focus on these extreme examples, one discovers that each country has its own idiosyncratic problems to which there is no common solution, nor even the possibility of common thinking. This exemplifies one basic problem of Europe as an entity. Although its different nations are at the same stage of economic development, have more or less the same social and economic problems, and can be considered as parts of the same very distinct and coherent civilization, its governmental superstructures are widely divergent and their opposition stands in the way of further integration.

Two common problems nevertheless emerge on which more general recommendations could be made for common and convergent efforts.

First of all, there is almost everywhere a crisis of parliament which is due only partially to legal or constitutional evolution since it develops equally within opposite setups. One could better hypothesize that the divergent structural evolutions are just different answers to the same problem. This crisis involves the problem of representation and the problem of expertise. Modern parliaments do not have the necessary expertise to maintain an effective check on the executive and they cannot represent citizens

adequately in the policy-making debates since they have to rely on earlier, meaningless cleavages to be elected.

The second problem is the problem of implementation and the problem of public administration. Everywhere one discovers a complete dissociation between the decision-making system which is dominated by a traditional and often quite rhetorical political debate, and the implementation system which is the preserve of diverse administrative systems quite often centralized and strong, but usually even more irresponsive when they are centralized and strong. This opposition is the main factor of political alienation amongst the citizens. It continually nourishes utopian dreams and radical postures and reinforces opposition to the State.

The main effort in Europe should be, therefore, to reinsert democratic debate in the administrative procedure, to prevent the monopoly of expertise by public administration, and to restore functions to parliament, by giving parliament new expertise and thus the possibility to debate on an equal level with the civil servants. Finally, a general reform of public administration and especially of its local implementation system should be a central practical concern that could be answered by European countries in a genuinely comparative and cooperative way.

3. Reinvigoration of political parties.

Party loyalties, like loyalties to church, state, and class, have tended to weaken throughout much of the Trilateral area. A more highly educated, more affluent, and generally more sophisticated public is less willing to commit itself blindly and irrevocably to a particular party

and its candidates. Yet partisan allegiances, along with party conflicts, have historically been the bedrock of democracy. Even today political parties remain indispensable to insure open debate over meaningful choices, to help aggregate interests, and to develop political leaders. But to continue to perform these functions they will have to adapt themselves to the changed needs and interests of the electorate. They will have to recognize that a primary need for the citizen in the highly complex and information-loaded environment of today is help in perceiving the world, interpreting events, selecting and filtering out information, and simplifying choice. If the "post-industrial world" is a world in which knowledge is king, the political parties must increasingly devote themselves to supplying this commodity, just as in an earlier -- and poorer -- age they focused on material benefits such as jobs, patronage, and social insurance.

To fulfill its political functions properly, a political party must, on the one hand, reflect the interests and needs of major social forces and interest groups in society and, on the other hand, also in some measure be independent of particular interests and capable of aggregating them and working out broader compromises among them. Changes in party structure, membership, leadership, and activities should be oriented towards increasing the ability of parties to perform these two conflicting but indispensable functions. In Europe, for instance, parties are still torn apart between parties of notables and mass membership parties. Many of the mass parties are marxist in their orientations, and some of them are only partially committed to the democratic rules of the game. Mass parties emphasizing the defense of categorical interests and status positions prevent the

aggregation of interests and the learning of compromise. Not only do they not train citizens for the difficulties of choice and the understanding of government, but they condition them to misunderstanding and to alienation. Nor do traditional parties of notables do a better job. They may emphasize aggregation much more in their action but keep it as narrow as possible and they refuse to train citizens in real participation. Theirs is still the politics of secrecy and backroom deals. The reform of European parties cannot be accomplished without a reform of public administration and of the decision-making systems. It requires the diffusion of modern techniques for the preparation of decision and also a new priority for the basic problem which concerns the citizen, the problem of implementation.

Nowhere are the horns of the dilemma of interest representation vs. interest aggregation more painfully visible than in the difficult area of party finance. Historically, political parties have in large part been dependent on the duesand subscriptions of individual members and supporters, on the one hand, and on substantial contributions from business corporations and labor unions, on the other. But in addition, a number of Trilateral societies (including the four Scandinavian countries, France, Italy, Germany, Canada) now appropriate public monies to cover party expenses between and during elections. In Germany it is estimated the government provides 35% of party funds. At the same time, there have been major moves in the United States in 1974 regulating and restricting private donations to party organizations and candidates, and there have been demands for comparable legislation in Japan and other countries.

It is our view that the reinvigoration of political parties, which we believe is essential to the effective working of democratic politics, requires a diversification of the sources from which parties raise their funds. Political parties should not be dependent exclusively upon either individual members or organized interests or the state for the resources needed to perform their functions. They should be able to draw support from all three sources.

The achievement of the appropriate balance among these sources requires different action in different societies. In the United States, for instance, recent legislation providing public monies for presidential candidates beginning with the 1976 election represents a step in the proper direction. So also is the movement during the past decade to broaden the base of party finance and to solicit small sums from a large number of contributors. On the other hand, the laws prohibiting political contributions by corporations serve little useful purpose and, as recent prosecutions make clear, have been regularly evaded. The desirability of repealing such restrictions should be carefully considered. The danger that political parties will become unduly dependent upon and responsive to a few corporate interests can best be countered by (a) requiring full publicity for all political contributions and (b) insuring the availability of public monies as an alternative and balance to funds from the private sector.

In Japan, as stated earlier, political financing has become a grave issue touching on both the problem of legitimacy and realistic calculation of the gradually declining strength of the governing LDP party. In contrast to the U.S., business corporations have contributed overwhelmingly to only

one party, the LDP. Although the labor unions have contributed to the opposition parties -- mainly to the Japan Socialist Party and to some degree to the Democratic Socialist Party, also -- the amount of money contributed by business corporations to LDP has been disproportionally huge and has given rise to a sense of unfair competition and the suspicion of implicit corruption between the governing party and the business. This unfairness should be corrected first of all, even by measures prohibiting all contributions by corporations or at least setting strict upper limits to them and also requiring full publicity of the contributions made. The LDP needs to survive such trial in order to consolidate the legitimacy of Japanese democracy itself. Even if such measures are destined to fail by evasion and the utilization of loopholes, they will still serve to create fairer competition between parties and stimulate individual contributions and involvement in party activities. As for balancing the sources of political funds between public money, collective contributions, and individual contributions, the most difficult to achieve in Japan is an increase in the individual contributions. Politicians and political parties in Japan should do their utmost to stimulate them. For instance, the personal sponsoring associations (koenkai) of individual politicians should undertake to finance themselves by contributions from their members.

4. Restoring a balance between government and media.

For well over two hundred years in Western societies, a struggle has been underway to defend the freedom of the press to investigate, to criticize, to report, and to publish its findings and opinions against the efforts by

government officials to curb that freedom. Freedom of the press is absolutely essential to the effective working of democratic government. Like any freedom, however, it is a freedom which can be abused. Recent years have seen an immense growth in the scope and power of the media. In many countries, in addition, either as a result of editorial direction or as a result of the increasing influence of the journalists vis-a-vis owners and editors, the press has taken an increasingly critical role towards government and public officials. Traditional norms of "objectivity" and "impartiality" have been brushed aside in favor of "advocatory journalism." As a result, the press has become more powerful and less responsible, and significant measures are required to restore an appropriate balance between the press, the government, and other institutions in society.

One should not, however, restrict the analysis of this very decisive problem to the press and even to the media the way they are now. What is at stake is the problem of communications in a world in which communications have become central and will become more and more decisive. The present drift of the media cannot be understood without focusing on the role, influence, and evolution of the intellectuals in post-industrial society. Moreover the development of new techniques, such as cable TV, and the changes in economic conditions that make mass audiences less profitable are just the forerunners of a coming revolution in communications. This is therefore an area in which a very strong investment of research and new thinking should be made on an international and comparative basis. All three regions will face similar choices very soon. The quality of each response will strongly influence the future of each country's governability.

These recent changes in the press-government relationship are perhaps most clearly marked in the United States. The increase in media power there is not unlike the rise of the industrial corporations to national power at the end of the nineteenth century. Just as the corporations enveloped themselves in the constitutional protection of the due process clause, the media now defends itself in terms of the First Amendment. In both cases, there obviously are important rights to be protected, but broader interests of society and government are also at stake. In due course, beginning with the Interstate Commerce Act and the Sherman Antitrust Act, measures had to be taken to regulate the new industrial centers of power and to define their relations to the rest of society. Something comparable appears to be now needed with respect to the media. Specifically, there is the need to insure to the press its right to print what it wants without prior restraint except in most unusual circumstances. But there is also the need to assure to the government the right and the ability to withhold information at the source. In addition, there is no reason for denying to public officials equal protection of the laws against libel, and the courts should move promptly to reinstate the law of libel as a necessary and appropriate check upon the abuses of power by the press. Journalists must discipline themselves and develop and enforce their own standards of professionalism or in due course face the probability of regulation by the government. The opposition of leading newspapers such as the New York Times and Los Angeles Times to proposals for a creation of a national press council to monitor complaints against the press is short-sighted and self-defeating. Such councils now exist in Ontario and Minnesota and one has functioned on a national level for over two decades in Great Britain. Responsible editors

recognize the desirability of such mechanisms, and the creation of such independent councils can be a major step towards insuring the existence of a "free and responsible press."

The Japanese press, especially the five nationwide newspapers with several millions circulation each and the commercial TV networks closely associated with each of them, have somewhat different tradition and problems from their counterparts in the United States or in Western Europe. Non-partisanship and an opposition attitude towards the government have been the traditions of the Japanese press. The results are a policy of equal distance from all political parties, somewhat severe but not destructive criticism of the government also mixed with lukewarm support of the government, and a high sensitivity to the mood of the mass public. The functioning of Japanese democracy would be improved if individual newspapers took clear stands in support or in opposition to the government.

In Europe, the more traditional and more numerous press of opinion has given way to fewer, stronger and less committed oligopolistic papers. This orientation which was viewed at first as a trend toward depoliticization in the end increased the political power of the press as an independent institution, thus bringing it closer to the American and Japanese situation. The same dangers therefore seem to appear with the need for the same kind of difficult but essential counterbalance.

5. Reexamination of the cost and the functions of higher education.

The 1960s saw a tremendous expansion in higher education throughout the Trilateral societies. This expansion was the product of increasing affluence a demographic bulge in the college-age group, and the increasingly widespread

assumption that the types of higher education open formerly in most societies (with the notable exception of the United States) only to a small elite group should "by right" be made available generally. The result of this expansion, however, can be the overproduction of people with university education in relation to the jobs available for them, the expenditure of substantial sums of scarce public monies, and the inequitable imposition on the lower classes of taxes to pay for the free public education of the children of the middle and upper classes. In addition, the large number of university graduates can tend to cut down the social mobility of working-class children who have not attended college in that a college degree becomes a prerequisite for a larger proportion of the available jobs. The expansion of higher education can thus create frustrations and psychological hardships among university graduates who are unable to secure the types of jobs to which they believe their education entitles them and it can also create frustrations and material hardships for non-graduates who are unable to secure jobs which were previously open to them.

In the United States, some retrenchment in higher education is already underway as a result of slower growth in enrollments and new ceilings on resources. What is needed, however, is to relate educational planning to economic and political goals. This is particularly difficult in the United States where a significant portion of higher education is private and most public higher education institutions are operated by the state governments. Virtually all higher educational institutions receive in one form or another, however, substantial financial support from the federal government. Consequently, there is some basis for the development of national goals for higher education.

A critical question which must be confronted in this connection is whether the society wishes to subsidize the offering of higher education to a substantial element of the college-age group irrespective of the relevance of that education to their subsequent employment. Should a college education be provided generally because of its contribution to the overall cultural level of the populace and its possible relation to the constructive discharge of the responsibilities of citizenship? If this question is answered in the affirmative, a program is then necessary to lower the job expectations of those who receive a college education. If the question is answered in the negative, then higher educational institutions should be induced to redesign their programs so as to be geared to the patterns of economic development and future job opportunities.

In Japan, the expansion of higher education in the 1960s was achieved mainly through low-cost education by private universities without their getting much public money from the government. Financially, however, the private universities are now approaching bankruptcy, and low-cost education has created doubts about the quality of university education. An increase in public financial support to private universities is now under way: this is wholly justified not only to improve the quality of education in private universities but also to balance the burden of the costs of higher education between taxpayers whose children are going to national universities and those who have sons and daughters going to private universities. As for the employment of university graduates, at least so far, because of rapid expansion of the tertiary service sector, there has as yet been no problem of overproduction and unemployment. Concerning social mobility, too, the number of white-collar jobs especially in tertiary industries should

continue to increase in the immediate future, and the children of blue-collar workers can have a sense of upward movement by securing a university education and getting white-collar jobs.

Major uncertainties, however, exist concerning the future of Japanese higher education. With the stagnation of the governmental budget, the increase of public funds for higher education will face a ceiling, and the choice as to whether Japan should have "low-quality and high-quantity" higher education or "high-quality and limited-quantity" higher education will become serious. In addition, both employment and mobility of university graduates depend on the expansion of the tertiary sector, which is not unlimited. In this respect, also, Japan is now rapidly approaching the point where some "retrenchment" of higher education will be necessary.

European higher education, in contrast, needs consolidation and rejuvenation more than retrenchment. Here again, it differs widely from country to country in its structure, modes of operation, and place in society. But everywhere, it is parochial, conservative, and compartmentalized. With a few exceptions in sectors such as the professional schools, and in countries such as Great Britain, it is chaotic, inefficient, operates extremely poorly, and develops opposition and alienation amongst students. One cannot overemphasize the significance of such a state of affairs. By now higher education is the most important value-producing system in society. That it works either poorly or at cross-purposes with society should be a matter of great concern. Such an opposition may be and has been good and creative up to a point but it has become more and more sterile since it is now depriving society of the necessary stimulus of the younger generations' creativity. This problem, however, is not only European, and a common endeavor of all

three regions to experiment in new institutions-building in this domain seems central for the problem of values and governability of democratic societies in the future.

6. A more active intervention in the area of work.

A long tradition exists in the West and in Japan of governmental intervention in the broad area of labor and social policies. Such policies may be considered as one of the greatest achievements of western democracies. Health, hazard and security coverage, freedom of association, bargaining rights, the right to strike, workers councils provide a broad protection and broad possibilities for corrective action. True enough, certain problems are still inadequately met, such as retirement pensions, and some countries lag behind on certain issues, such as the U.S. on social security. But on the whole, western workers and Japanese workers are very well protected and enjoy extensive rights and decent wages.

Two basic new problems, however, have arisen which take more and more prominence while the older ones recede. They are the problem of the inside working of the enterprise and of the work organization in general, on the one hand, and the problem of the content of the job itself, on the other. Both these problems call for a new kind of active intervention which is of great importance for each society's internal equilibrium and for its governability.

These problems unfortunately are not amenable to easy legislative fiat or executive intervention. They require a painful transformation of social relations, of cultural and authority patterns, and even of modes of reasoning. They call for a new kind of strategy.

Up to now, the dominant social democratic or even liberal schools of thought have focused on proposals for industrial democracy modelled on patterns of political democracy. These have rarely succeeded, and when they did the proposals did not appear very effective, basically because they were running at the same time against the industrial culture and the constraints of business organization. This movement has found a new impetus, especially in Western Europe, with strong popular pressure for self-management and with the rediscovery by the left of nationalization as a key argument in the political arena.

This movement, even if it stirs the imagination and leads gradually to responsible action, nevertheless appears to be confused and contradictory. Many people therefore advocate the more moderate course of participation by labor in crucial decisions affecting output, productivity, and working conditions, such as developed in Germany under the name of codetermination. This would, they think, provide a strong incentive for unions to act responsibly. In some circumstances, this could indeed be the result. On the other hand, however, the Germany experience has been only partially successful in Germany, and it would raise impossible problems in many western democracies, either because leftist trade unionists would oppose it and utilize it without becoming any more moderate, or because the employers will manage to defeat its purposes.

A quite different, more promising, and more fundamental strategy is to focus on the second set of problems, those of the job, of working conditions, and work organization. This is a much more concrete field where deep resentment and frustrations have developed, feeding back on

the more conventional aspects of labor-management bargaining. This is, at the same time, a problem where basic change is becoming possible. New thinking and experimentation has occurred, which should be widely encouraged and subsidized and industry should be given all possible incentives to move ahead and implement gradually new modes of organization. In particular, governments should: (1) give high priority to the problems of work and work organization as an area of research; (2) create appropriate agencies to disseminate the results of this research; and (3) through both indirect and direct subsidies support the introduction of new schemes of work organization.

This is the only way now to alleviate the new tensions that tend to mark post-industrial society in this area and which otherwise nourish irresponsible blackmailing tactics and new inflationary pressures. This is at the same time a necessary step to restore the status and dignity of manual work and therefore help solve the more and more acute problem of the immigrant workers in Western Europe, which might otherwise become equivalent to the racial minority problems of the United States. In the United States itself, these problems are not, at the moment, as persistent and threatening as they are in Europe, but they still exist, and, of course, discontent with manual work conditions in the United States is often reinforced by racial tensions. Japan may be less threatened in this area than either Western Europe or North America because of a much more integrative, if paternalistic, tradition of participation in decision-making within the business enterprise. But it would be well for Japan to anticipate the future problems likely to develop in this area and to seek solutions to them which would build upon its past experience.

7. Creation of new institutions for the cooperative promotion of democracy.

A complex net of economic and military institutions bind the Trilateral societies together in a variety of ways. These institutions developed as a result of the perceived common interests of the Trilateral countries in dealing with the problems of military security, economic reconstruction, exchange rates, tariffs and trade, investments, and a variety of other matters. The Trilateral societies also, however, have a common interest in strengthening the functioning of democratic government. They should, consequently, develop collective means, both public and private, for active cooperation in promoting this goal.

The urgency of this sort of cooperation is new. For much of the past twenty-five years, the functioning of democratic government in most of the Trilateral societies could be assumed to be a "given." But now the effective working of democratic government in the Trilateral societies can now no longer be taken for granted. The increasing demands and pressures on democratic government and the crisis in governmental resources and public authority require more explicit collaboration among the Trilateral countries if this goal is to be achieved.

In the Trilateral societies, however, the "governability of democracy" is, presumably, everyone's business and hence tends to become no one's business. Defense ministers and chiefs of staff promote collaboration for military purposes; finance ministers and central bankers have an interest in collaborative institutions for economic purposes. But no one, in any government, has as his special interest the strengthening of democracy and the development of collaborative institutions among the Trilateral

societies which will serve this critical purpose. Consequently, the initiative must come from outside the existing governmental structure, and we propose that the Trilateral Commission attempt to secure support and resources from foundations, business corporations, labor unions, political parties, civic associations, and, where possible and appropriate, governmental agencies for the creation of an institute for the strengthening of democratic institutions. The purpose of such an institute would be to stimulate collaborative studies of common problems involved in the operations of democracy in the Trilateral societies, to promote cooperation among institutions and groups with common concerns in this area among the Trilateral regions, and to encourage the Trilateral societies to learn from each other's experience how to make democracy function more effectively in their societies. As we have indicated in connection with many of the problems which we have discussed above (political parties, the organization of work, press-government relations) there is much which each society can learn from the others. Such mutual learning experiences are familiar phenomena in the economic and military fields; they must also be encouraged in the political field. Such an institute could also serve a useful function in calling attention to questions of special urgency confronting the functioning of democracy in the Trilateral societies, as, for instance, the critical nature of the problems currently confronting democracy in Europe.