

# Who's in Charge?

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The godfather of macro-level power structure research in the United States was the sociologist C. Wright Mills, author of *The Power Elite* (1956). He defined that elite as “those political, economic and military circles which act as an intricate set of overlapping cliques that share decisions having at least national consequences.”<sup>1</sup> Although he has been criticized for giving insufficient weight to the economic or business class in this equation, his work popularized (in New Left circles particularly) the idea of the revolving door of personnel between those three “circles.”

Following in his footsteps is the collected work of G. William Domhoff, surely the dean of contemporary power structure studies (most accessible are his *Who Rules America?* and his website, an invaluable resource today).<sup>2</sup> His thesis is that “there is (1) a small social upper class (2) rooted in the ownership and control of a corporate community [and] (3) ... integrated with a policy-planning network,”<sup>3</sup> which, sometimes after some debate, promotes policies consistent with upper-class interests across a broad range of issues. Through its interchange of personnel with government it has the ability to carry out those policies.

Within this policy-planning network is the Council on Foreign Relations (CFR), which has drawn the attention of Lawrence H. Shoup for a long time. Its journal *Foreign Affairs* “is a key place where the foreign policy ideas of the Council community are floated” (71). In spring 1975, *The Insurgent Sociologist* (now *Critical Sociology*) published a special issue on “New Directions in Power Structure Research,” edited by Domhoff, in which Shoup’s “Shaping the Postwar World: The CFR and U.S. War Aims During World War II” is the lead piece. This essay was largely incorporated into *Imperial Brain Trust* (1977, with William Minter).<sup>4</sup> It covers the history and work of the CFR till about 1975, and in great and fascinating detail shows us, among other things, how the CFR influenced the Roosevelt administration to undertake a foreign policy that led directly to Pearl Harbor (131-135). Perhaps Charles A. Beard and the other “revisionist historians” were not far off the mark after all.<sup>5</sup>

The volume under review carries the story forward from 1976 to 2014. The CFR was founded immediately after World War I and “has been pursuing a world-spanning hegemonic project” that is promoted through a foreign policy “suitable to the U.S. capitalist class” since that time (10-11). Shoup tells us that the consequences of this “neoliberal geopolitical empire” has been “the destruction of unions and working class communities, privatization, speculation, grotesque economic inequality, ecological destruction, and ... war and conquest” (199). This is quite an indictment; the book is a carefully documented effort, largely successful, to provide the evidence for that description.

By 1970 the council had 1,467 members, mainly from the Wall Street-oriented financial and law firm elite. It is organized like a corporation, with a board of directors. A 1999 dinner presided over by Chase Manhattan’s David Rockefeller featured no less than five former secretaries of state plus then-Secretary Madeleine Albright. By then the CFR had expanded from its upper-class Social Register base to incorporate younger people and even a few Jews (for example Robert Rubin, who helped formulate NAFTA, and of course Henry Kissinger, who started as a Harvard professor, served as national security adviser and secretary of state, and ended as the entrepreneur founder of Kissinger Associates).

Shoup describes how Kissinger Associates fits in: “Although think tanks like the Council handle large-scale policy developments and recommendations for action for the capitalist class as a whole, in our neoliberal era multinational corporations feel the need for additional expert advice”

(118-119). Kissinger's group, founded with loans from Goldman Sachs and other banks, fills that bill. "Prominent KA staff ... have included many CFR members, all of whom have served in important roles as 'in-and-outers' in the U.S. government" (119-120). These include cabinet members, Federal Reserve officials, CIA staff, ambassadors, and so on. Kissinger Associates is only one of many corporations, institutes, lobbies, and elite universities (of which Harvard and Yale are the most important) described in a chapter on the CFR's domestic network.

The CFR's day-to-day operations take the form of study groups on various topics, for example at one time the "problem" that the Soviet Union "stood as a partial roadblock to U.S. global ambitions" (17). These groups serve as a "breeding ground" for the development of the guiding strategies of U.S. foreign policy. In the 1950s there were five study groups on Southeast Asia alone. "The U.S. government, led by Council men ... went to war" (19), but when it became clear that the conflict was unwinnable, the CFR urged President Johnson to negotiate and the war ended soon after—not the first, nor the last, time the CFR suffered from imperial overreach (Afghanistan, almost needless to say, would be another).

It was under President Richard Nixon that CFR's directors or former directors managed to reach "the top levels of economic policymaking ... [and] successfully launched the first great wave of neoliberalism, using the power of the state to implement ... the capitalist goal of unrestricted freedom for corporations and capital at the expense of popular forces" (172). This included the 1973 overthrow of the democratically elected reform government of Salvador Allende in Chile (directed by Kissinger, then national security adviser, and other CFR members) and the imposition of "free market" policies on the Chilean people by the Pinochet dictatorship and its neoliberal economists.

In 1974 President Gerald Ford appointed CFR member Alan Greenspan as head of the Council of Economic Advisers. Greenspan reacted to an economy racked by both stagnation and inflation ("stagflation") by cutting taxes and instituting a program of deregulation. That program was continued under Carter, who cut business taxes, "something called for by his treasury secretary, former CFR director W. Michael Blumenthal" (173). Carter appointed a classic Wall-Street-to-government-to-Wall-Street CFR director, Paul Volcker, to head the Federal Reserve. Volcker followed a neoliberal economic program that resulted in a recession with increased unemployment. Then, with Ronald Reagan as president came the onslaught on organized labor, highlighted by his decertification of the Professional Air Traffic Controllers Organization in 1981. This was followed by "structural adjustment," as the World Bank tied loans to poorer nations to neoliberal measures (cutting the public sector, suppressing unions, and opening the door to foreign investment at the expense of local self-sufficiency).

Today's CFR has about 5,000 individual members, 170 corporate members, a staff of some 330, and a budget of \$60 million annually. It has recruited academics from outside Wall Street circles and some of the "newly rich," but the leadership, Shoup insists, is still dominated by Social Register types. Technically it is a think tank, but functionally it is a policy-planning and indirectly a policy-promoting organization, "the world's most powerful private organization, ... the ultimate networking, socializing, strategic planning, and consensus-forming institution of the U.S. capitalist class. It is the central 'high command' organization of the plutocracy that runs the country and much of the world" (7). In 1994 it launched a series of Independent Task forces that were allowed to promote policies directly. Policy recommendations find their way to fruition through published papers and books, meetings that include heads of state as guests, and of course the "in-and-out" exchange of personnel with corporations, foundations, other think tanks, and many levels of the federal government.

Over the years Democratic administrations adhered more closely to CFR programs than did Republican ones, although Republican presidents have also held the door wide to CFR influence. In Democrat Jimmy Carter's administration, "all twelve of his top foreign policy makers were CFR

members at some time in their careers” (95). Likewise in Bill Clinton’s administrations, 15 of 17 foreign policy officials, including two Secretaries of State and two out of three Treasury Secretaries (Robert Rubin and Lawrence Summers), were interlocked with the CFR. Although President Obama, unlike Clinton, is not a member, his national security team has been infused with CFR members from the start. Hillary Clinton appears not to be a member, but believe it or not, Chelsea Clinton was brought on board by her dad in about 2013, “allowing her to expand her network to the ... powerful people that she will meet at the Council” (29).

The CFR has generally represented the transnationally oriented fraction of big capital and has favored a bipartisan foreign policy whenever feasible. It has promoted foreign aid, NATO, and, given its free market biases, such policies as NAFTA and the Trans Pacific Partnership. The Middle East, and possible Russian (then Soviet) attempts to gain influence on the CFR, became a source of concern as early as 1980 (182-183). “Important elements within the Council ... were also engaged in at first subtle, and later overt, lobbying for a war with Iraq, beginning ... in 1997-99” (205). In 2002 it initiated a quasi-independent Center for Geoeconomic Studies, which solidified the CFR’s orientation towards an aggressive foreign policy (not excluding military interventions) in order to safeguard U.S. access to commodities, especially oil. In Chapter 6, Shoup provides further details about the CFR’s role in the Iraq war and its “midcourse correction,” and in a later chapter he shows how U.S. policy in Ukraine today reflects the CFR’s worry as early as 1990 that Moscow not regain “control over Ukraine ... and (its) major resources” (251). Shoup also provides details about the relationship between a CFR study group’s membership (including representatives from Monsanto, Dupont, and others) and the group’s endorsement of crop engineering (“GMO s”) (265-266), the role of its corporate members in suppressing garment workers in Bangladesh, as well as other examples of its “key role in creating the overall system of neoliberal exploitation” (174) .

Consistent with its transnational approach, the CFR actively promoted the founding of the Trilateral Commission linking Western Europe, North America, and Japan into a policy-planning network. (The Trilateral Commission is the target of ultra-right paranoia about a “new world order of socialism.”) Similarly, the CFR encouraged the creation of the Davos World Economic Forum, as well as other links “between the financial capitalist class of the United States and the rest of the world’s globalizing plutocracy” (131).

However, CFR leaders also understood the need for power at home. Its leadership pushed for domestic “reforms,” proposing shredding the social safety net, further curbing unions, and assuring that the U.S. remain the “energy superpower” by exploiting domestic sources including fracking (197-198). This leads Shoup, in his penultimate chapter, to analyze the CFR’s approach to “the global ecological crisis” (277). CFR’s leadership is seriously worried about this issue, mainly because it has “national security” implications: damage to infrastructure, refugee crises, unrest, and so on. Shoup’s concluding chapter points to *the* critical contradiction of this concern: The crisis develops “directly out of the current predatory neoliberal capitalist system’s need for constant growth, for maximum profit” (296). The council of course “cannot be relied upon to develop any serious proposals, ... cannot think holistically and is incapable of addressing climate heating, let alone the wider ecological crisis” (297). Shoup insists, “Only mass social movements can now save the people and the planet” (307).

Shoup then lays out a detailed “Ecosocialist” program to which very few readers of *New Politics* will take exception.

Power structure research rests on two interacting methods: network analysis, which focuses on the interconnections between individuals and institutions, and decisional analysis, which tries to

demonstrate how particular decisions are made, by whom, and why. The assumption of researchers like Shoup, Domhoff, and others is that decisions flow from networks of powerful individuals who share values rooted in their class-based experiences: their upbringing, their social lives, their positions in finance and industry, and the constant reinforcement of these values by continuing interaction with one another. This oligarchic group attempts to have its decisions carried out in both the private and the public (governmental) arenas. However, this oligarchy is not always in agreement on specific policies because there are disputes among different fractions of capital; hence spaces for debate must be established so that a consensus can emerge, what has been termed a kind of pluralism at the top.

This kind of analysis has been subjected to the charge of “conspiracy theory” by social scientists, media pundits, and mainstream politicians who like to believe (or like us to believe) that a genuine pluralism exists in which we all have a say via our membership in different interest groups. The conspiracy theories of the ultra-right generally target specific groups (Jews, the Chinese government, foreigners, and finance but not industrial—or “productive”—capital among other villains) but not capitalism as such. Those of the left (in its broadest historical sense) have focused on industries such as the railroads but also Wall Street—the One Percent. Where power structure studies depart from conspiratorial approaches is that they are attempts at real, fine-grained description and analysis. One Percent is a useful slogan, but it is not an analysis. It can only minimally help us to decipher events.

Is the CFR a conspiracy? In the sense that a small oligarchic group created the CFR as an instrument to promote its agenda, yes. Is it a secret cabal? No, its own documents and speeches state its aims and strategies openly and without the slightest apology. It is these that we must understand if we are to mount effective resistance.

C. Wright Mills has rightly been criticized as being undialectical, that is, he and some other power structure theorists present a picture of an oligarchy, including its cultural apparatus, against which it appears hopeless to struggle. Shoup does not share this pessimism. He clearly believes that another world is possible: “[T]he workers/producers themselves must create ... a fundamental transformation from below” in order to overcome the “predatory economic system of neoliberal financial monopoly capitalism” (307, 304). Amen.