



# World Business Academy

*Rekindling the Human Spirit in Business*

## VIEWPOINT

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**President's special note:** Although the Academy rarely publishes any pieces which are overtly political in nature, we have decided to publish the following article by our notable Fellow, Dr. Hazel Henderson, because it dramatically raises the question of the role of US business in the current war-driven political environment. The nexus of business and politics is one of the most vital areas of long-term inquiry for the Academy. Hence, although some of our Members and Fellows may find Dr. Henderson's views to be overly confrontational, and perhaps others will find them to be directly on point, the Academy believes it is essential that we stimulate dialogue around the issue by publishing the piece. We publish it with the sincere hope that it will prompt responses to the central question of the intertwined relationship between politics and business, but with a minimum of direct political rhetoric which would be more appropriate for a journal on current political affairs. With these thoughts in mind, we look forward to hearing from you and trust that all who read this article will appreciate the Academy's commitment to the fullest possible dialogue between our Fellows and Members on the most vital issues intersecting with the world of global business.--**Rinaldo S. Brutoco**

### **The New Bi-Polar World**

**Academy Fellow Hazel Henderson**

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George W. Bush and the band of reckless hawks that captured his presidency have created a new bi-polar world: the USA versus the United Nations and most of its member states. Apart from Britain, the "coalition of the willing" represents a motley group of states unwilling or unable to commit troops or resources, and in some cases, whose support has been coerced or bought.

The unjustified US war on Iraq must be brought to an end before more innocent lives are lost. As a patriotic US citizen, I have long spoken out and written against the misguided ideologies that led to this unjust war. I join the many millions in the USA and around the world protesting and asking how the USA—once a beacon to those seeking a better world, democracy, the rule of law, economic opportunity and individual self-realization—could have turned into a self-appointed, over-militarized globocop claiming the preemptive right to bomb and attack other nations it deems "evil"?

Of course, there is much evil in the world and there are many dictators, including Saddam Hussein, Kim Jong Il of North Korea and others. Terrorism is also a threat, which has now increased enormously as a result of the war, as some Bush cabinet members now admit.

But how did an educated, developed, democratic nation like the USA come to be led by a misguided administration whose president sees our complex world through a prism of simple-minded slogans? Other nations are "with us or against us." Iraq, which could have been disarmed peacefully, is just the first domino in Bush's "axis of evil" in the "war to rid the world of "evil." Like many politicians throughout history, war has increased Bush's popularity.

Some of the reasons my beloved country has strayed from its former role as champion of multilateralism and the rule of international law include:

- The US democracy has been gradually undermined by the rise of corporate power. Today, the Congress is dominated by powerful lobbies, well-heeled special interests, and thereby corrupted by money. Both Republicans and Democrats are minority parties – each garnering about 30% of votes cast – while the other 40% of voters register as "independents" but without a third party. After the disastrous stalemated election of 2000, Bush, who had lost the popular vote, was "selected" by the Republican-dominated Supreme Court.

- The corporate takeover in the USA and its culture of “winner-take-all,” revealed following the collapse of Enron, has been the subject of endless press coverage, public hearings, lawsuits and public outrage. Yet few reforms, watered down by intense lobbying by interested industries, have been achieved. The administration’s deep corporate connections, initially a boast of George W. Bush, are now a source of embarrassment and covered up with media “spin.” For example, the lawsuit brought by Congress’s General Accounting Office demanding the records of Vice President Dick Cheney (former CEO of Halliburton) of his many closed meetings with Enron and other energy companies in devising Bush’s National Energy Plan, was quashed.
- The conglomeration of mass media in giant corporations is accelerating under Republican control of the Federal Communications Commission (FCC), chaired by free-marketeer Michael Powell, son of Secretary of State Colin Powell. Media deregulation, pushed further by corporate owners since their Telecommunications Act of 1996, has narrowed choice and further trivialized news and content. This “commercial censorship” reduced coverage of public affairs and news unfavorable to advertisers’ interests and their goals of reaching the lowest common denominator audiences with sports, shopping channels, infomercials, “reality” and game shows. The Pentagon controls the coverage of the war on Iraq via training and “embedding” journalists within the Defense Department’s force structure, frequent press briefings and repeated gory re-runs of Saddam Hussein’s many atrocities. The war is ubiquitously covered as ceaseless images of explosions, racing tanks, heroic soldiers—almost a video game of “good guys and bad guys.” For overviews and analyses, one must find BBC radio on the Internet and a smattering of independent websites, such as [www.globalvision.org](http://www.globalvision.org), [www.indymedia.org](http://www.indymedia.org), [www.vaiw.org](http://www.vaiw.org), and others run by US veterans groups opposed to the war on Iraq. Dissent against Bush’s war is relegated to comedy shows and call-in programs on C-SPAN (a network covering Congress run by the cable TV industry).

The Center for Public Integrity ([www.publicintegrity.org](http://www.publicintegrity.org)) broke the story of widespread conflicts of interest and war profiteering within the Pentagon’s Defense Policy Board (DPB). This led Richard Perle, longtime Bush advisor and “hawk” to resign as its chair. DPB’s 30 members who advise Donald Rumsfeld include nine with ties to companies that have won over \$76 billion in defense contracts in 2001 and 2002. Perle advises (for a \$600,000 fee) the bankrupt Global Crossing Ltd, clients of Goldman Sachs on investment opportunities in post-war Iraq, and has ties with other Pentagon contractors. So far, Rumsfeld has not asked Perle to step down from the DPB. Other DPB members with ties to Pentagon contractors include Rear Admiral David Jeremiah, Rear Admiral Ronald Fogelman, former CIA Director James Woolsey, now a V.P. of Booz Allen Hamilton, former defense secretaries Harold Brown and James Schlesinger, and four registered lobbyists. These include Chris Williams, former aide to Rumsfeld and Senator Trent Lott, who now lobbies for Johnston & Associates whose clients include Lockheed Martin, Northrup Grumman, TRW and Boeing. Other DPB members are Henry Kissinger, Newt Gingrich, Dan Quayle, former US Vice President and other well-known conservatives.

No wonder the US public is confused, divided and misinformed. The people were also kept in the dark about the cost of the war on Iraq until after it started. Bush, facing growing deficits due in part to his tax cuts, tried to force his FY 2004 budget (with another \$600 billion in tax cuts for investors) through Congress before divulging his request for an additional \$75 billion for the first six months of the war. People were assured that Bush’s global war would require no sacrifices on their part, told to continue shopping, traveling, going to ballgames and living the American way of life.

Now most states are facing budget crises and are cutting education, health and human services, with no help from the now deficit-ridden federal government. Far from the promised “guns and butter,” middle-class families are now facing a new “guns versus bread” scenario, as unemployment levels rise and the economy continues to sag. Deputy Secretary of Defense Paul Wolfowitz (architect with Richard Perle of the administration’s September, 2002 doctrine of preemptive strike) also misinformed the public. Wolfowitz claimed, along with Bush’s official view, that an Iraq war would be swift and that “The Iraqi people understand what this crisis is about. Like the people of France in the 1940s, they view us as their hoped-for liberation.”

Bush's Iraq war is now revealed by events and a growing number of critics as contradictory to his demands that the UN return inspectors to Iraq, and further confused with his ever-changing rationales and short-sighted, hamfisted diplomacy. The group of "hawks" that many believe hijacked Bush's foreign policy--Cheney, Rumsfeld, Wolfowitz, Perle and less-well known members, Elliott Abrams, Richard Bolton, Ken Adelman and others--are becoming visible and discredited. Bush fired his economic advisors Lawrence Lindsay (for revealing in 2002 that a war on Iraq might cost up to \$200 billion) and Paul O'Neill, former Treasury Secretary (who dismissed the enormous US trade deficit as a "meaningless concept"). Now Bush needs to fire Deputy Secretary Paul Wolfowitz, whose advice has proved so misguided and inaccurate.

All these tragic circumstances reveal the flaws in US-style democracy, which relies so heavily on a free press to act as the Fourth Estate, to balance and check the power of the President, the Congress and the Courts. If a free mass media does not, as Thomas Jefferson warned, "inform the consent of the governed," democracy fails. The new Patriot Act, along with the new Homeland Security bureaucracy, continue to erode press freedom and individual civil liberties with more surveillance, secrecy, arbitrary arrests and detentions.

Furthermore, the US economy remains in dire straits with a still-falling dollar, a trade deficit of 5.2% of GDP and heavily-indebted corporate and consumer sectors, vulnerable to \$30 a barrel oil and OPEC's big retaliatory card, redenominating its oil in euros. The best way to restore the widespread global goodwill toward the USA demonstrated after 9/11 is to bring the war on Iraq to a swift end, recommit the US to its historic multilateralist role and its support of the UN, and assure that constituting popular governance and reconstruction of Iraq are under a UN mandate and that no US corporations or oil interests, such as Halliburton and others with administration ties, are allowed any preferential access to contracts. All this may take a regime change in the USA in the elections of 2004.

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**Hazel Henderson** is author of *Beyond Globalization, Building a Win-Win World* and other books (see [www.hazelhenderson.com](http://www.hazelhenderson.com)).

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