

The Bush cabinet: a government of the financial oligarchy

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No US administration in nearly a century has been dominated to such an extent by personnel drawn directly from the executive suites of American big business as that of George W. Bush. Not only is the White House pursuing an agenda dictated by corporate America, the men and women who occupy top posts in the new administration have intimate ties to giant firms that stand to profit to the tune of billions of dollars from its policies, and they personally can expect their fortunes to grow by millions and tens of millions of dollars.

In the case of proposed tax cuts for the rich, the relationship between Bush's policy, the interests of big business in general and the corporate elite personified by his cabinet, in particular, is transparent. To take one key plank of the administration's tax plan, Bush's cabinet members will, according to one estimate, save \$5 million to \$19 million apiece in estate taxes if the proposal to abolish the inheritance tax is enacted.

Recent financial disclosures by Bush, Vice President Dick Cheney and cabinet officers reveal a government packed with corporate executives rolling in wealth. Tax returns for 2000 show that Cheney and his wife had \$36,086,635 in reported income last year. Some \$34 million of Cheney's income came from stock options and other perks received from Haliburton, the oil services firm where Cheney was CEO. Another \$443,730 was paid to Cheney as a corporate director and consultant by Electronic Data Systems, AT&T, Media One and US West. Mrs. Cheney received \$948,738 writing and speaking as a right-wing cultural commentator.

Bush reported \$744,682 in income for 2000. The bulk of this amount, \$549,236, came from interest on his investments. Bush personally represents the increasingly parasitic character of American capitalism and the social layer that has grown rich by clipping coupons over the course of the speculative stock market boom of the 1990s.

Bush never made a go of any business that he personally ran. Instead he benefited from his family ties, getting an inside track on a part-ownership of the Texas Rangers baseball team, which he sold in 1998 for a windfall profit of \$18 million.

Meanwhile, Bush's father, the former president, has been exploiting his government connections to solicit investments on behalf of the Carlyle Group, a \$12 billion private equity company. The activities of the Carlyle group underscore the revolving door between the US government and the corporate world. The company buys businesses and then resells them. Using the

connections provided by former President Bush and other Washington insiders, such as former Secretary of State James Baker, Carlyle has expanded over the past decade, transforming itself from a virtual unknown to major player on the world stage, with extensive holdings in the defense industry and global communications. (See the accompanying article, "The Carlyle Group: ex-government officials cash in as corporate hustlers.")

Here is a profile of some other top figures in the administration of George W. Bush:

* Commerce Secretary Donald Evans, a longtime friend of George W. Bush, holds 940,000 options in Tom Brown, a Denver-based oil company that he headed before his cabinet appointment. Evans' financial disclosure statement listed his options to be worth between \$5 million and \$25 million.

* Treasury Secretary Paul O'Neill is another extremely wealthy former CEO with a leading role in the Bush administration. The former head of aluminum maker Alcoa initially balked at selling off his \$100 million in company stock and stock options, claiming he saw no potential conflict of interest. However, in an action that could directly benefit Alcoa, the Treasury Department recently decided to allow the financially pressed Bonneville Power Administration, which supplies electricity to Alcoa smelters in the Pacific Northwest, to reduce its payments to the government for dams and other infrastructure.

* Secretary of Defense Donald Rumsfeld, who was chief executive at the pharmaceutical company G.D. Searle and later headed General Signal Corp., has financial holdings in stocks and other investments that are worth between \$50 million and \$210 million, according to his financial disclosure statement. Nearly half his fortune is tied up in private investment partnerships, including venture capital funds that invest in health care, energy, the Internet and biotechnology.

* Colin Powell, Bush's secretary of state, was a former board member of America Online. His stock portfolio is worth between \$18 million and \$65 million. He has agreed to sell his stock in 31 companies, including holdings in General Dynamics and Brocade Communications Systems worth more than \$1 million each. He is also divesting holdings in Cisco, JDS, Uniphase and EMC worth between \$500,000 and \$1 million. Powell's son, Michael, head of the Federal Communications Commission, voted to approve the merger between AOL and Time Warner.

* Mitch Daniels, Bush's director of the Office of Budget and Management, was a top executive at the pharmaceutical giant Eli

Lilly. He listed the value of his Lilly stock at between \$5 million and \$25 million.

* Condoleezza Rice, Bush's national security adviser, served on the board of directors of Chevron Oil from 1991 to 1993. The company named an oil tanker after Rice.

Other former corporate executives holding top posts in the Bush administration include: Anthony Principi, secretary of veteran's affairs, a former executive at the military contractor Lockheed Martin; White House Chief of Staff Andrew Card, who headed the American Automobile Manufacturers Association before becoming a vice president of General Motors; Joseph Hagin, deputy chief of staff for operations, a former executive at Chiquita Brands and Federated Department Stores.

Particularly illustrative of the incestuous relationship between the Bush administration and corporate interests are Bush's defense appointments. The White House has nominated top executives of major defense contractors to be the civilian heads of both the navy and air force. Gordon England, executive vice president of General Dynamics, is to be secretary of the navy. James G. Roche, corporate vice president of aircraft manufacturer Northrop Grumman, is Bush's pick to be secretary of the air force. Retired Brigadier General Thomas White, vice chairman of Enron Energy Services, will head the army.

Bush's appointments to the commission for the so-called reform of Social Security are also highly characteristic. The 14-member panel includes several top corporate executives, including its co-chair, Richard Parsons, co-chief operating officer of AOL-Time Warner. Another member of the commission is Robert Pozen, vice chairman of Fidelity Investments and one of the most powerful financial executives in the United States.

Pozen, like all members of the panel, is a supporter of the partial privatization of Social Security and the pouring of billions of dollars of workers' retirement money into the stock market. Fidelity Investments stands to reap a fortune should Congress vote to partially or fully privatize Social Security.

In another case of the Bush administration appointing the fox to watch the hen house, the White House says it will nominate Linda Fisher, a lobbyist for the chemical and agribusiness company Monsanto, to be deputy director of the Environmental Protection Agency. She was in charge of Monsanto's lobbying operation aimed at preventing regulation of genetically engineered crops.

Bush also plans to nominate a mining lobbyist to be deputy secretary of the interior. J. Steven Griles works for Environmental Strategies, whose clients include the National Mining Association and Occidental Petroleum. He was a former executive at the United Company, a coal, oil and gas development firm.

The connection between the right-wing agenda of the Bush administration and the business interests of its personnel is clear and direct. This is particularly true in relation to the administration's policy on oil and gas.

President Bush has repeatedly refused to intervene to block profit gouging by power generating companies involved in the California energy crisis. Cheney and other Bush administration officials have stated that they want to open the Arctic Wildlife Refuge in Alaska and other protected lands to oil and gas exploration, while rolling back environmental rules related to the

burning of coal, the construction of oil and gas pipelines and the building of refineries. Early on, the Bush administration shocked world opinion by announcing that it would not honor the terms of the Kyoto protocol on global warming. Bush also reneged on a campaign pledge and rejected controls on carbon dioxide emissions from power plants.

The packing of the Bush administration with personnel drawn directly from the financial elite is a stark indication of the government's hostility to democratic and egalitarian principles. How can genuine democracy be said to exist in a society where all important decisions are made by and for the wealthiest one percent of the population?

This state of affairs did not fall from the sky. The anti-democratic installation of the Bush administration by a 5 to 4 vote of the US Supreme Court was the product of decades of decay of capitalist democracy in the United States. The past 25 years have seen an enormous social polarization. Incomes have fallen or stagnated for the majority of working people while corporate profits and the salaries of top executives have skyrocketed.

At the same time both the Democratic and Republican parties have abandoned policies aimed at softening the impact on working people of the drive by US big business for ever greater profits.

With the Bush administration this process has reached a new stage. The White House is run by two wealthy oil men who have staffed their administration with oil executives and other corporate multimillionaires. The White House openly pursues policies in the interests of big business and the rich. This has evoked no significant outcry from the news media—itsself owned by corporate giants—or the Democrats, the supposed opposition party.

Marxists have defined the state as an instrument of the ruling class. In the case of the Bush administration, the relationship between the capitalist state and the social interests it serves is direct and obvious. American democracy has become little more than a fig leaf for the rule of a financial oligarchy. The enormous contradiction between the policies and actions of this government and the aspirations of the vast majority, must, sooner or later, provoke a new period of social upheavals.



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