

AMERICAN DYNASTY

HOW THE BUSH CLAN BECAME THE WORLD'S MOST
POWERFUL AND DANGEROUS FAMILY

KEVIN PHILLIPS



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AMERICAN DYNASTY

ALSO BY KEVIN PHILLIPS

Wealth and Democracy

The Cousins' Wars

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Staying on Top

Post-Conservative America

Electoral Reform and Voter Participation

Mediocracy

The Emerging Republican Majority

To the memory of President Dwight D. Eisenhower, whose words in his 1961 farewell address once again demand attention and respect:

This conjunction of an immense Military Establishment and a large arms industry is new in the American experience. The total influence—economic, political, even spiritual—is felt in every city, every state-house, every office of the Federal Government. We recognize the imperative need for this development. Yet we must not fail to comprehend its grave implications. . . .

In the councils of government we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist.

We must never let the weight of this combination endanger our liberties or democratic processes. We should take nothing for granted. Only an alert and knowledgeable citizenry can compel the proper meshing of the huge industrial and military machinery of defense with our peaceful methods and goals so that security and liberty may prosper together.

January 17, 1961

PREFACE

This book has changed a lot—in length, indignation, and its hitherto unpublished information—since I began writing it in December 2002. My original ambition was to identify and explain the Bush-related transformation of the U.S. presidency into an increasingly dynastic office, a change with profound consequences for the American Republic, given the factors of family bias, domestic special interests, and foreign grudges that the Bushes, father and son, brought into the White House.

Unfortunately, in examining two Bush presidencies and the family's four-generation pursuit of national prominence and power—and in doing so through a lens that highlighted elite associations, dynastic ambitions, and recurring financial and business practices—I found a greater basis for dismay and disillusionment than I had imagined. The result is an unusual and unflattering portrait of a great family (great in power, not morality) that has built a base over the course of the twentieth century in the back corridors of the new military-industrial complex and in close association with the growing intelligence and national security establishments. In doing so, the Bushes have threaded their way through damning political, banking, and permanent scandals and, since the 1980s, controversies like the October Surprise, Iran-Contra, and Iraqgate imbroglios, which in another climate or a different time might have led to impeachment.

I am not talking about ordinary lack of business ethics or financial corruption. During the late twentieth century, several other presidents and their families displayed these shortcomings, and the public has become understandably blasé. Four generations of building toward dynasty, however, has infused the Bush family's hunger for power and practices of crony capitalism with a moral arrogance and backstage disregard of the democratic and republican traditions of the U.S. government. As we will see,

four generations of involvement with clandestine arms deals and European and Middle Eastern rogue banks will do that.

American Dynasty is on the one hand a book about economics, history, and politics in the era that covers the two Bush presidencies. But it is also a portrait of four Bush (and Walker) generations—their ambitions, financial practices, scandals, and wars. It brings into focus many circumstances and relationships that have not previously been examined together and seriously discussed, for reasons that are both unusual and unfortunate. During the late 1970s and 1980s, the Bush clan in a sense flew under the radar of critical biography and investigation. The first two published biographies of George H. W. Bush—*George Bush: A Biography* (1980) by Nicholas King, a former Bush press secretary, and *George Bush: An Intimate Portrait* (1989) by Fitzhugh Green, a CIA-connected Bush social chum—were friendly treatments that had no room for warts. Neither did the 1991 *Flight of the Avenger* sequence of books lionizing his record in World War II. Unfortunately, this puffery managed to preempt more serious book-length exploration.

The first major objective study, *Marching in Place* (1992), by *Time* reporters Dan Goodgame and Michael Duffy, dwelt critically on his 1989–92 presidential record but came out too late to affect the political climate that defeated Bush in 1992, and it got little attention. *George Bush: The Unauthorized Biography*, published in 1992 by allies of Bush-hating Lyndon LaRouche, tended to submerge its massive, and often revelatory, research in snowdrifts of paranoia, and no serious readers or reviewers gave it much credence.

By 2000, naturally, biographies of the younger Bush, even critical ones, devoted little attention to anything other than his own career. Thus the first three generations of the family escaped multidimensional and skeptical scrutiny, save for a professional, but essentially friendly, biography by historian Herbert Parmet entitled *George Bush: The Life of a Lone Star Yankee* (1997). Now that the Bushes have become a presidential dynasty, for however long, they will command more probing attention, but the national interest would have been better served had that occurred in the 1970s.

Few have looked at the facts of the family's rise, but just as important, commentators have neglected the *thread*—not the mere occasion—of special interests, biases, scandals (especially those related to arms dealing), and blatant business cronyism. The evidence that accrues over four generations

is extraordinarily damning. This is especially true of the Bushes' ties to the Wall Street financial world and the military-industrial complex.

But considering an additional relationship may explain even more. After four generations of connection to foreign intrigue and the intelligence community, plus three generations of immersion in the culture of secrecy (dating back to the Yale years of several men in the family), deceit and disinformation have become Bush political hallmarks. The Middle Eastern financial ties of both Bush presidents exemplify this lack of candor, as do the origins and machinations of both Bush wars with Iraq. Appendix B in this volume reviews the family's penchant for secrecy and for cleaning and locking up government records.

It doesn't help that the major media have tended to use kid gloves with the family. In 1999, longtime reporter Robert Sherrill, writing in the *Texas Observer*, contrasted this treatment of the Bushes with how "when Richard Nixon's brother Donald—my poor, damn dumb brother, Nixon called him—used his name to pry a loan of \$205,000 from billionaire Howard Hughes, the mainstream press raised a stink that lasted years." The Bushes have also benefited from the Democrats' apparent reluctance to investigate the connections, misdeeds, and malfeasances of a popular president such as George W. Bush. Others have made the point that if a Clinton-era special counsel was necessary for Whitewater, why not a Bush-era special counsel for Enron?

As a former longtime Republican who came of political age during the Nixon years, I take the point about double standards. My own distaste since the 1960s for what George H. W. Bush seemed to represent—a career built on support from a vague "elite" rather than merit or democratic selection—had a Republican genesis. It drew on views prominently, although not decisively, voiced within the GOP. Dwight D. Eisenhower had warned—in words quoted in this volume's opening pages—about the future threat that might come from the military-industrial complex. Richard Nixon's dislike of Bush's elitist economics leaped out in an endorsement Nixon made of my 1990 book, *The Politics of Rich and Poor*. Ronald Reagan had personal qualms about his running mate that some say he never lost. Fellow Texans John Connally and H. Ross Perot were both disdainful of Bush. John McCain kept this tradition alive in his 2000 view of the younger Bush.

Few prominent Republicans voiced similar qualms as the campaign for the election of 2004 began. Moreover, inasmuch as the elder Bush turned

me into a political independent, I have to admit that I can no longer attribute my own unhappiness with the dynastic, economic, religious, and war politics of George W. Bush to my earlier Republican molding alone.

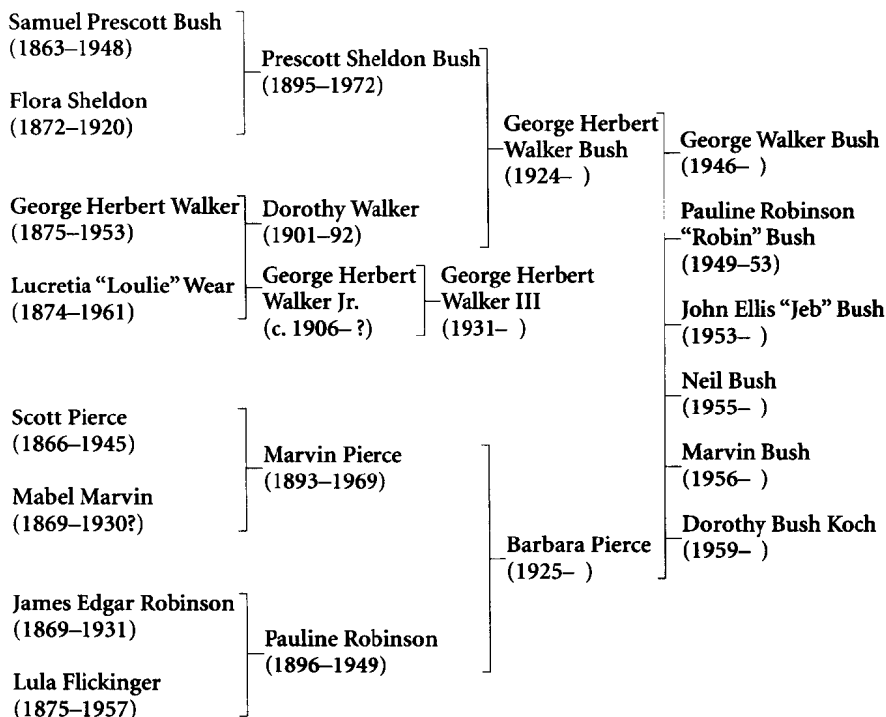
I must also acknowledge that the party of my youth and middle age has changed enormously. For fifteen years after I published *The Emerging Republican Majority* in 1969, I supported the GOP campaign argument that public policy had gone too far in trying to squeeze religion out of American life. Now the voter backlash against that early squeeze has so reversed the national discussion that the *opposite* threat is crystallizing: there is a Republican Party dangerously dominated by southern fundamentalist and evangelical constituencies, willing to blend biblical theology into U.S. Middle Eastern policy and attach faith healers to the advisory structure of the U.S. Food and Drug Administration. The research I did on politics and religion in writing chapter 7 was a revelation to me, as I hope it will be to readers.

That the Bushes have many qualities to commend them as a private family—community involvement, generosity to those who work for them—is not really the point. They are not a private family. They are a public family, and one that is writing a new definition of the presidency. They are bending public policy toward family grudges and interests. What matters is their policy and conduct in that emerging role. The further evidence, since 9/11, of the United States' becoming an embattled imperium, even showing faint specklings of garrison state thinking, only doubles the stakes.

True, the dynastic trend in the United States goes deeper than the Bushes. If Hillary Clinton runs for president in 2008, the failings and lingering grudges of her family's own would-be dynasty will be fair game. And thus we may learn—for better or worse—more about the transformation and perils of American politics. This book, however, is about the dynasty we already have and what it stands for. This is the direction in which national politics and national discussion must turn first.

The Bush-Walker Family Tree

(Not all family members are represented.)



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Introduction

Concern about a U.S. dynastic presidency first emerged in 2000, prompted by skeptics of the Bush succession, as well as by amateur historians unnerved by analogies to the seventeenth-century English Stuart and nineteenth-century French Bourbon restorations. The topic gained force and more widespread credibility when the 2002 elections confirmed George W. Bush's popularity and when the war of early spring 2003 displayed his personal commitment to resuming his father's unfinished combat with Iraq's Saddam Hussein. Controversial wars and geopolitical ambitions, after all, have frequently originated as dynastic ambitions.

Other institutional aspects of a family-based presidency warrant national attention. Dynasties tend to show continuities of policy and interest-group bias—in the case of the Bushes, favoritism toward the energy sector, defense industries, the Pentagon, and the CIA, as well as insistence on tax breaks for the investor class and upper-income groups. By inauguration day of 2001, Houston-based Enron had a relationship with the Bush clan going back a decade and a half. Families restored to power also have a history of seeking revenge against old foes as well as recalling longtime loyalists and retainers. George W. Bush's record has included retiring such taunters of his father as Texas governor Ann Richards (in 1994) and House Speaker Newt Gingrich (Bush helped to force him out after the 1998 elections) and appointing former officials dating back not just to his father's term but to the Ford administration of 1974–76, a virtual incubator of the Republican Party's Bush faction.

This dynasticism was hardly a phenomenon unique to the United States. In the first few years of the twenty-first century, the restoration of old European royal houses was discussed in Serbia, Bulgaria, Romania, and Italy. As in the United States, the principals were political conservatives.

Another questionable aspect of dynastic control is the effect of biological inheritance. History is all too familiar with hereditary traits like the Hapsburg chin and the Tudor temper. Some pundits have queried whether heredity might likewise explain certain behaviors shared by the two Bush presidents—frenetic activity, scrambled speech, the hint of dyslexic arrangements of thought.¹ Although the press has been reticent to pursue such matters, they do have a genuine relevance. Three, perhaps four, generations of Bushes have displayed great capacities for remembering names, faces, and statistics. *Dallas News* reporter Bill Minutaglio, a biographer of the younger Bush, discovered that George H. W. Bush “went so far as to tell his spokesman Marlin Fitzwater to gather together the photographs of the Washington press corps so he could memorize all their names; the Bush men were always startlingly better than anyone else at memorizing names.” At the same time, both father and son have shown little talent for conceptualization or abstraction. Is it a coincidence? Dynasty, with its subordination of individual achievement to gene pools and bloodlines, always involves a gamble on the nuances of heredity.

In the United States, as we will see, the twentieth-century rise of the Bush family was built on the five pillars of American global sway: the international reach of U.S. investment banking, the emerging giantism of the military-industrial complex, the ballooning of the CIA and kindred intelligence operations, the drive for U.S. control of global oil supplies, and a close alliance with Britain and the English-speaking community. This century of upward momentum brought a sequence of controversies, albeit ones that never gained critical mass—such as the exposure in 1942 of Prescott Bush’s corporate directorship links to wartime Germany, which harked back to overambitious 1920s investment banking; the Bush family’s longtime involvement with global armaments and the military-industrial complex; and a web of close connections to the CIA, which began decades before George Bush’s brief CIA directorship in 1976. Threads like these may not weigh heavily on individual presidencies; they are many times more troubling when they run through several generations of a dynasty.

We must be cautious here not to transmute commercial relationships into a latter-day conspiracy theory, a transformation that epitomizes what historian Richard Hofstadter years ago called the “paranoid streak” in American politics. (Try a Google Internet search for “George Bush and Hitler,” for example.) On the other hand, worries about conspiracy thinking should not inhibit inquiries in a way that blocks sober examination, which often

more properly identifies some kind of elite behavior familiar to sociologists and political scientists alike.

The particular evolution of elites within nations that became leading world economic powers over the last four centuries is a subject I have discussed in several previous books, especially *Wealth and Democracy* (2002). The rise of a nation's "establishment" to its zenith is invariably an accretive process, not a successfully executed sequence of plots. Still, "old-boy" networks or their equivalents usually play a significant role in maintaining a group in power.

Treating the Bush presidencies as growing out of a four-generation interaction with the so-called U.S. establishment is, in a word, essential. Likewise, dealing separately with the administrations of George H. W. and George W.—or worse, ignoring commonalities of behavior in office—is like considering individual planets while ignoring their place within the solar system.

Four examples are illustrative. One is the repeated use of family influence in arranging or smoothing over difficulties in the military service of three generations of Bushes: Prescott, George H. W., and George W. Similarly, the involvement of four Walker and Bush generations with finance—in several cases, the investment side of the petroleum business—helps to explain their recurrent preoccupation with investments, capital gains, and tax shelters. George W. Bush's 2003 commitment to ending taxation of dividends was simply an extension of his father's frequent calls for reducing capital gains tax rates as the solution to any weakness in the national economy. Third, the family's ties to oil date back to Ohio steelmaker Samuel Bush's relationship to Standard Oil a century ago, while its ultimately dynastic connection to Enron spanned the first national Bush administration, the six years of George W. Bush's governorship of Texas, and the first year of his Washington incumbency. No other presidential family has made such prolonged efforts on behalf of a single corporation. Finally, there is no previous parallel to the relationships between the Bushes and the CIA and its predecessor organizations, which began in the invisible-ink and *Ashenden, Secret Agent* days of George Herbert Walker and Prescott Bush. Quite simply, analyzing separately the two Bush presidencies risks losing sight of such essential and revealing leitmotifs.

Arguably, a clan *lacking* such continuity of interests and relationships probably could not have succeeded in establishing a dynastic presidency. It would not have developed the requisite links to the establishment. It

should be noted that the term “dynastic” is used here to describe a *fact*, not a theory: namely, the succession of 2000, in which the eldest son of a defeated president was eight years later chosen by his father’s party and inaugurated as the next president. Such inheritance has no American precedent; it trespasses, at least spiritually, on the governance framed by Washington, Franklin, Jefferson, and Madison. Hereditary rulers were to be feared, the founders knew, even when, like the fifteenth-century Medicis of Florence, they initially chose to keep the framework of the Republic in place.

While the election of 2000 became an obvious pivot by marking a full-fledged family restoration, the election of 1994 must be considered a secondary milestone, for it served to anoint formally eldest son George W. Bush, already the most logical choice to follow in his father’s footsteps. Winning the Texas governorship that year established him as the family political heir over his younger brother, who lost a statehouse bid in Florida. Sharing his father’s name, looking eerily like him, and having a similar electoral base in Texas, George W. was able to embody a much more resonant promise of “restoration” among voters than could have been managed by his younger brother Jeb. Also to the point, the 1994 elections suggested the motivational potential for a restoration: namely, the moral anger of a large portion of the American electorate—pollster Gallup came to call them “the repulsed”—with the new president, Bill Clinton. Not a few voters felt apologetic, survey takers found, for having turned the elder Bush out of office in 1992.

Were history to posit a “Bush era,” lasting from George H. W. Bush’s triumph in 1988 through 2008, the two family presidencies might well define the entire two decades, turning the Clinton years into the political equivalent of sandwich filler. On the other hand, were Senator Hillary Clinton to achieve in 2008 a second restoration, this one Clintonian, public perception might well lurch toward some American equivalent of the fifteenth-century Wars of the Roses, during which the English Crown was contested by the houses of York and Lancaster.

National politics, in short, has begun to take on the aura of a great family arena. Of the four wives of the major-party presidential nominees in 1996 and 2000, two quickly gained U.S. Senate seats: Hillary Clinton in 2000 and Elizabeth Dole in 2002. A third, Tipper Gore, decided not to make a Senate bid in Tennessee. Other seats in the U.S. Senate, in the meantime, began to pass more like membership in Britain’s House of Lords.

Regionally, the prime example of family continuity in national govern-