

# International Political Economy

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## Special Report

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### **THE STATE OF THE UNION ACCORDING TO PRESIDENT BUSH Part II**

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Marvin Zonis + Associates, Inc., (MZ+A) helps firms assess, monitor and manage political risk. "Political risk" refers to the uncertainties that arise from instances of political instability (such as riots and coups), poor public policy (such as inflation and currency crises), and weak institutional frameworks (such as discriminatory regulations and ineffective legal systems). "Political risk management" refers to the development of processes, structures, and knowledge that allow firms to deal effectively with political risk.

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The President seemed tense and nervous. No smiles or back slapping as he walked down the aisle. He was drinking water at the podium even before he began speaking. He had important business-to win the support of the American people as well as the watching world for military action against Saddam Hussein. His speech was eloquent and powerful, somehow even more impressive when read than when heard.

These ideas struck me after a close reading:

1. The President's world view was clearly in evidence. "Throughout the 20th century," he suggested, "small groups of men seized control of great nations, built armies and arsenals, and set out to dominate the weak and intimidate the world. . . In each case, their ambitions of cruelty and murder had no limit. In each case, the ambitions of Hitlerism, militarism and communism were defeated by the will of free peoples, by the strength of great alliances and by the might of the United States of America."

Two things are especially interesting about this interpretation of the last 100 years or so of US history. First, it omits what has traditionally been considered the most important reason for the triumph of the US-its ideology. The commitment of the US to freedom, to democracy and to civil liberties have underpinned the willingness and capability of its citizens to fight and the appeal of the US to its allies and to its enemies. But for the President, what counted was military power. Second, the problems of the world have been caused by "the bad guys." The President never mentioned the social, political, or economic conditions that made it possible for "small groups of men": to seize power.

2. The speech was steeped in the Divine. The President is an arch-conservative who believes in God's plan. The President suggested that ". . . we must also remember our calling, as a blessed country, is to make the world better." A "calling" is a responsibility that stems from God's will. The President also suggested that "The liberty we prize is not America's gift to the world; it is God's gift to humanity." This is a formulation that would rankle the secular founders of this Republic and those who continue to believe its strength is a result of the firm separation of church and state.

The President concluded his speech, "We Americans have faith in ourselves, but not in ourselves alone. We do not claim to know all the ways of Providence, yet we can trust in them, placing our confidence in the loving God behind all of life and all of history. May he guide us now, and may God continue to bless the United States of America." These formulations are those of southern, Christian fundamentalists whose faith is unshakable in the knowledge that the Lord has sent us on His mission. As with all religiously inspired commitments, however, there is little room for compromise with those whose faith suggests that the Lord sent them on other "callings" or missions or who do not believe in a "calling" at all.

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3. For all his Yale and Harvard Business School polish, the President is still smug. He noted the capture of a number of al Qaeda leaders and then added, "And many others have met a different fate. Let's put it this way: They are no longer a problem to the United States and our friends and allies." This not so veiled allusion to their killing was greeted by, as the Soviet press used to say after Stalin's speeches, "thunderous applause."

4. The President also still has the Texas "cowboy" in him. He noted that "All free nations have a stake in preventing sudden and catastrophic attacks." He invited those states to join the US in the common cause against terrorism, especially terrorism with weapons of mass destruction. But he made it clear that the US would not wait for others to do so. He boldly stated, ". . . the course of this nation does not depend on the decisions of others." The president's insistence on the right of the US to define, unilaterally, the nature and sources of the threats is a chief source of European rancor. Partnership, in their eyes, is based on mutuality. That they resent being asked to participate in a US defined world is hardly surprising.

5. The President laid out the usual bill of particulars against Saddam Hussein. But more significantly, he said that he would send Colin Powell to the U.N. Security Council on February 5 to "present information and intelligence about . . . Iraq's illegal weapons programs, its attempts to hide those weapons from inspectors and its links to terrorist groups." Another chief source of European rancor and Americans' skepticism about the President's commitment to regime change in Iraq has been the absence of any convincing evidence that Saddam is, in fact, a threat. Even in this speech, the President presented recycled and generally discredited information. That Iraq sought aluminum tubes for nuclear weapons development has been discredited both by the International Atomic Energy Agency and other credible sources. The tubes were obtained, not for nukes but for missiles. If the US has convincing intelligence and presents it in early February, the President's case will be dramatically strengthened. The coincidence of Secretary Powell's U.N. presentation and the culmination of the US military build-up in the Gulf will put maximal pressure on Saddam to resign, for his generals to assassinate him and, failing that, for the US to launch its assault.

6. The Congress must have had their seats wired with electric charges. They were ready to get on their feet at the slightest provocation from the President. Their willingness--Democrats along with the Republicans--to applaud and stand for even his most contested ideas seemed startling. Tax cuts that would stimulate the economy? (How can they stimulate the economy when they benefit those who already have substantial discretionary spending capabilities.) Fairness in eliminating the double taxation of dividends? (Why not eliminate other forms of double taxation that do not benefit the rich--say sales taxes.) Enhancing US security by unrolling a missile defense shield? (Why spend all the billions in an attempt to reduce threats that are far less probable than the more pedestrian threats from terrorists.) The President's ability to present ideas that appealed to so many of the Democrats present is a powerful reminder of his political astuteness as well as the source of Democratic weakness.

7. Who was mentioned and who was not mentioned was significant. Saddam Hussein figured prominently. But no mention of Usama bin Laden or Mullah Omar. No reason to dwell on failure. Afghanistan, Israel, Palestine, South Africa, Yemen, Singapore, Saudi Arabia, Iraq, Iran, North Korea, South Korea, Japan, Russia, China were all there. The President mentioned "our coalition partners" in Afghanistan. But he did not mention who they were. Nor did he utter the names "United Kingdom" or "France" or "Germany." He did not mention NATO. He did mention the United Nations and the International Atomic Energy Agency. But

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he did not mention free trade or the World Trade Organization. He did not mention global economic growth or the drug trade.

8. The President also spoke of US intelligence capabilities. The Washington Post expert on the US intelligence community, Vernon Loeb, recently decried the lack of cooperation that continues to characterize America's intelligence community and the persisting failure of its agencies to share information that would allow an analyst to "connect the dots." The President recognized that problem in his speech and ordered the development of a "Terrorist Threat Integration Center, to merge and analyze all threat information in a single location." The details were not specified, but the merging of intelligence data, if it were to succeed, would be a crucial step towards thwarting terrorists.

9. The President's commitment to fighting AIDS in Africa was startling. He pledged to fight the disease and save lives by a massive US financial commitment. He went on about Africa and AIDS longer than any subject other than terrorism and Iraq. Is it too cynical to suggest that he was playing the race card-countering the ill will among African Americans generated by his Justice Department brief in the suit against the use of affirmative action by the University of Michigan?

The occasion for a President to deliver his State of the Union Address is highly ritualistic. The President met the expectations for ritual last night. But he did more. He also developed the drama. He built tension pointing towards its resolution in mid-February. Building tension is important because it is the tension that will most contribute to Saddam's assassination or his resignation. Then there would be no need for US military action. But if those alternatives fail to materialize by mid-February, the President laid out his case for sending in the troops.