

**A Cloud over Civilization:
Corporate Power is the Driving Force
Behind US Foreign Policy – and the Slaughter in Iraq
John Kenneth Galbraith**

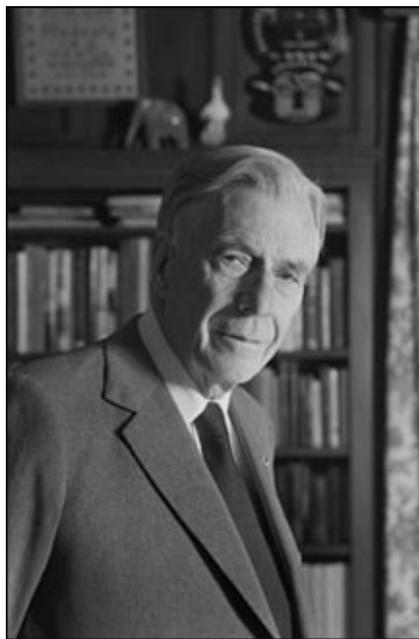


Photo: Jane Reed/Harvard University

John Kenneth Galbraith, O.C., Ph.D., LL.D. (1908-2006) was born in the Canadian hamlet of Iona Station with a population of twenty-three. He earned his B.Sc. degree from the University of Toronto (Ontario Agricultural College) in 1931 and an M.S. (1933) and a Ph.D. (1934) from the University of California at Berkeley. As a great liberal thinker and world renowned economist, he contributed much to the discussion of Western economics and politics during the last half of the twentieth century. He was a trusted advisor to Heads of State, and served in the administrations of US Presidents Roosevelt, Truman, Kennedy and Johnson. A respected scholar and writer, Professor Galbraith was a stimulating mentor to generations of students at Harvard University.

*In his 1997 inaugural **Senator Keith Davey Lecture, "The Socially Concerned Today,"** at the University of Toronto, Galbraith exposed the grievous flaws in the social, economic, and political landscape, and provided guidance for the socially concerned towards more reasonable, caring and humane policies for the future. He concluded: "Those who would reverse social action or allow it to stagnate in the present are not in conflict with the socially concerned; they are at odds with the great force of history. We can have a measure of sympathy with them – for those who oppose us. We, not they, are in step with history. But we should also be aware of our own role. It was one not of invention but of accommodation. The world and its commitment to change being as they are, there will be continuing need for adjustment. Our task – that of all who are in compassionate step with history – is never over. While we resist those who seek to arrest or reverse such accommodation, we must be in step with further change."*

At the end of the second world war, I was the director for overall effects of the United States strategic bombing survey - USBUS, as it was known. I led a large professional economic staff in assessment of the industrial and military effects of the bombing of Germany. The strategic bombing of German industry, transportation and cities,

was gravely disappointing. Attacks on factories that made such seemingly crucial components as ball bearings, and even attacks on aircraft plants, were sadly useless. With plant and machinery relocation and more determined management, fighter aircraft production actually increased in early 1944 after major bombing. In the cities, the random cruelty and death inflicted from the sky had no appreciable effect on war production or the war.

These findings were vigorously resisted by the Allied armed services - especially, needless to say, the air command, even though they were the work of the most capable scholars and were supported by German industry officials and impeccable German statistics, as well as by the director of German arms production, Albert Speer. All our conclusions were cast aside. The air command's public and academic allies united to arrest my appointment to a Harvard professorship and succeeded in doing so for a year.

Nor is this all. The greatest military misadventure in American history until Iraq was the war in Vietnam. When I was sent there on a fact-finding mission in the early 60s, I had a full view of the military dominance of foreign policy, a dominance that has now extended to the replacement of the presumed civilian authority. In India, where I was ambassador, in Washington, where I had access to President Kennedy, and in Saigon, I developed a strongly negative view of the conflict. Later, I encouraged the anti-war campaign of Eugene McCarthy in 1968. His candidacy was first announced in our house in Cambridge.

At this time the military establishment in Washington was in support of the war. Indeed, it was taken for granted that both the armed services and the weapons industries should accept and endorse hostilities - Dwight Eisenhower's "military-industrial complex".

In 2003, close to half the total US government discretionary expenditure was used for military purposes. A large part was for weapons procurement or development. Nuclear-powered submarines run to billions of dollars, individual planes to tens of millions each.

Such expenditure is not the result of detached analysis. From the relevant industrial firms come proposed designs for new weapons, and to them are awarded production and profit. In an impressive flow of influence and command, the weapons industry accords valued employment, management pay and profit in its political constituency, and indirectly it is a treasured source of political funds. The gratitude and the promise of political help go to Washington and to the defense budget. And to foreign policy or, as in Vietnam and Iraq, to war. That the private sector moves to a dominant public-sector role is apparent.

None will doubt that the modern corporation is a dominant force in the present-day economy. Once in the US there were capitalists. Steel by Carnegie, oil by Rockefeller, tobacco by Duke, railroads variously and often incompetently controlled by the moneyed few. In its market position and political influence, modern corporate management, unlike the capitalist, has public acceptance. A dominant role in the military establishment, in public finance and the environment is assumed. Other public authority is also taken for granted. Adverse social flaws and their effect do, however, require attention.

One, as just observed, is the way the corporate power has shaped the public purpose to its own needs. It ordains that social success is more automobiles, more television sets, a greater volume of all other consumer goods - and more lethal weaponry. Negative social effects - pollution, destruction of the landscape, the unprotected health of the citizenry, the threat of military action and death - do not count as such.

The corporate appropriation of public initiative and authority is unpleasantly visible in its effect on the environment, and dangerous as regards military and foreign policy. Wars are a major threat to civilized existence, and a corporate commitment to weapons procurement and use nurtures this threat. It accords legitimacy, and even heroic virtue, to devastation and death.

Power in the modern great corporation belongs to the management. The board of directors is an amiable entity, meeting with self-approval but fully subordinate to the real power of the managers. The relationship resembles that of an honorary degree recipient to a member of a university faculty.

The myths of investor authority, the ritual meetings of directors and the annual stockholder meeting persist, but no mentally viable observer of the modern corporation can escape the reality. Corporate power lies with management - a bureaucracy in control of its task and its compensation. Rewards can verge on larceny.

On frequent recent occasions, it has been referred to as the corporate scandal.

As the corporate interest moves to power in what was the public sector, it serves the corporate interest. It is most clearly evident in the largest such movement, that of nominally private firms into the defense establishment. From this comes a primary influence on the military budget, on foreign policy, military commitment and, ultimately, military action. War. Although this is a normal and expected use of money and its power, the full effect is disguised by almost all conventional expression.

Given its authority in the modern corporation it was natural that management would extend its role to politics and to government. Once there was the public reach of capitalism; now it is that of corporate management. In the US, corporate managers are in close alliance with the president, the vice-president and the secretary of defense

Major corporate figures are also in senior positions elsewhere in the federal government; one came from the bankrupt and thieving Enron to preside over the army.

Defense and weapons development are motivating forces in foreign policy. For some years, there has also been recognized corporate control of the Treasury. And of environmental policy.

We cherish the progress in Civilization since biblical times and long before. But there is a needed and, indeed, accepted qualification. The US and Britain are in the bitter aftermath of a war in Iraq. We are accepting programmed death for the young and random slaughter for men and women of all ages. So it was in the first and second world wars, and is still so in Iraq. Civilized life, as it is called, is a great white tower celebrating human achievements, but at the top there is permanently a large black cloud. Human progress dominated by unimaginable cruelty and death.

Civilization has made great strides over the centuries in science, healthcare, the arts and most, if not all, economic well-being. But it has also given a privileged position to the development of weapons and the threat and reality of war. Mass slaughter has become the ultimate civilized achievement.

The facts of war are inescapable - death and random cruelty, suspension of civilized values, a disordered aftermath. Thus the human condition and prospect is now supremely evident. The economic and social problems here described can, with thought and action, be addressed. So they have already been. War remains the decisive human failure.

Copyright © 2004 John Kenneth Galbraith; The Guardian Newspaper Limited. This is an edited extract from *The Economics of Innocent Fraud: Truth for Our Time*, by J.K. Galbraith, published by Allen Lane.



This Canadian International Youth Letter (CIYL) is part of a new series with an emphasis on science and human affairs.

The series incorporates cultural and youth studies as well as research-based information on the science of human behaviour, including the effects of war, destructiveness and violence on youth development, global mental health and the environment. Under the theme '**Exploring New Ways of Knowing – A Meeting of Minds, Science and Human Experience**' it is part of the new project of the **International Youth Network for the Advancement of the Sciences, Humanities and Global Bioethics (IYNet)**

© 2007 Public Awareness Education Programs of the Sciences & Humanities – Technology & Global Bioethics (PAEP).

As an NGO member of Forum UNESCO and UNEP, PAEP takes initiatives, working with and for youth to promote and advance the universal values and principles of the United Nations Educational, Scientific and Cultural Organization and UNEP; to respect cultural diversity as the common heritage of humanity; to foster a new transdisciplinary educational, scientific, environmental and inter-cultural dialogue towards a universal code of ethics for the benefit of present and future generations; to build awareness and to strengthen international cooperation in the protection of the world's natural, cultural, intellectual and scientific heritage.

Contact: Hans F. Schweinsberg – Tel: 416-486-9333 – Fax: 416-483-0002 – paep.utm@utoronto.ca – <http://www.paep.ca>
