

SHOCK THERAPY IN THE U.S.A.

THE HOMELAND SECURITY BUBBLE

He's a ruthless little bastard. You can be sure of that.

—Richard Nixon, U.S. president, referring to Donald Rumsfeld, 1971¹

Today I fear that we are in fact waking up to a surveillance society that is already all around us.

—Richard Thomas, U.K. information commissioner, November 2006²

Homeland security may have just reached the stage that Internet investing hit in 1997. Back then, all you needed to do was put an "e" in front of your company name and your IPO would rocket. Now you can do the same with "fortress."

—Daniel Gross, *Slate*, June 2005³

It was a muggy Monday in Washington, and Donald Rumsfeld was about to do something he hated: talk to his staff. Since taking office as defense secretary, he had solidified his reputation among the Joint Chiefs of Staff as high-handed, secretive and—a word that kept coming up—arrogant. Their animosity was understandable. Since setting foot in the Pentagon, Rumsfeld had brushed aside the prescribed role of leader and motivator and acted instead like a bloodless hatchet man—a CEO secretary on a downsizing mission.

When Rumsfeld accepted the post, many wondered why he would even want it. He was sixty-eight years old, had five grandchildren and a personal

fortune estimated at as much as \$250 million—and he had already held the same post in the Gerald Ford administration.⁴ Rumsfeld, however, had no desire to be a traditional defense secretary, defined by the wars waged on his watch; he had greater ambitions than that.

The incoming defense secretary had spent the past twenty-odd years heading up multinational corporations and sitting on their boards, often leading companies through dramatic mergers and acquisitions, as well as painful restructurings. In the nineties, he had come to see himself as a man of the New Economy, directing a company specializing in digital TV, sitting on the board of another promising “e-business solutions,” and serving as board chairman of the very sci-fi biotech firm that held the exclusive patent on a treatment for avian flu as well as on several important AIDS medications.⁵ When Rumsfeld joined the cabinet of George W. Bush in 2001, it was with a personal mission to reinvent warfare for the twenty-first century—turning it into something more psychological than physical, more spectacle than struggle, and far more profitable than it had ever been before.

Much has been written about Rumsfeld’s controversial “transformation” project, which prompted eight retired generals to call for his resignation and eventually forced him to step down after the 2006 midterm elections. When Bush announced the resignation he described the “sweeping transformation” project—and not the war in Iraq or the broader “War on Terror”—as Rumsfeld’s most profound contribution: “Don’s work in these areas did not often make the headlines. But the reforms that set in motion—that he has set in motion—are historic.”⁶ They are indeed, but it has not always been clear what those reforms consist of.

Senior military officials derided “transformation” as “empty buzz words,” and Rumsfeld often seemed determined (almost comically) to prove the critics right: “The Army is going through what is a major modernization,” Rumsfeld said in April 2006. “It’s moving from a division-oriented force to a modular brigade combat team force . . . from service-centric war-fighting to deconfliction war-fighting to interoperability and now toward interdependence. That’s a hard thing to do.”⁷ But the project was never quite as complicated as Rumsfeld made it sound. Beneath the jargon, it was simply an attempt to bring the revolution in outsourcing and branding that he had been part of in the corporate world into the heart of the U.S. military.

During the 1990s, many companies that had traditionally manufactured their own products and maintained large, stable workforces embraced what

became known as the Nike model: don’t own any factories, produce your products through an intricate web of contractors and subcontractors, and pour your resources into design and marketing. Other companies opted for the alternative, Microsoft model: maintain a tight control center of shareholder/employees who perform the company’s “core competency” and outsource everything else to temps, from running the mailroom to writing code. Some called the companies that underwent these radical restructurings “hollow corporations” because they were mostly form, with little tangible content left over.

Rumsfeld was convinced that the U.S. Department of Defense needed an equivalent makeover; as *Fortune* said when he arrived at the Pentagon, “Mr. CEO” was “about to oversee the same sort of restructuring that he orchestrated so well in the corporate world.”⁸ There were, of course, some necessary differences. Where corporations unburdened themselves of geography-bound factories and full-time workers, Rumsfeld saw the army shedding large numbers of full-time troops in favor of a small core of staffers propped up by cheaper temporary soldiers from the Reserve and National Guard. Meanwhile, contractors from companies such as Blackwater and Halliburton would perform duties ranging from high-risk chauffeuring to prisoner interrogation to catering to health care. And where corporations poured their savings on labor into design and marketing, Rumsfeld would spend his savings from fewer troops and tanks on the latest satellite and nanotechnology from the private sector. “In the twenty-first century,” Rumsfeld said of the modern military, “we’re going to have to stop thinking about things, numbers of things, and mass, and think also and maybe even first about speed and agility and precision.” He sounded very much like the hyperactive management consultant Tom Peters, who declared in the late nineties that companies had to decide if they were “pure ‘players’ in brainware” or “lumpy-object purveyors.”⁹

Not surprisingly, the generals who were used to holding sway in the Pentagon were pretty sure that “things” and “mass” still mattered when it came to fighting wars. They soon became deeply hostile to Rumsfeld’s vision of a hollow military. After a little more than seven months in office, the secretary had already stepped on so many powerful toes that it was rumored his days were numbered.

It was at this moment that Rumsfeld called a rare “town hall meeting” for Pentagon staff. The speculation began immediately: Was he going to announce his resignation? Was he going to try his hand at a pep talk? Was he

belatedly trying to sell the old guard on transformation? As hundreds of Pentagon senior staff filed into the auditorium that Monday morning, “the mood was definitely one of curiosity,” one staffer told me. “The feeling was, How are you going to convince us? Because there was already a huge amount of animosity toward him.”

When Rumsfeld made his entrance, “we politely stood up and sat down.” It rapidly became clear that this was not a resignation, and it most certainly was not a pep talk. It may have been the most extraordinary speech ever given by a U.S. secretary of defense. It began like this:

The topic today is an adversary that poses a threat, a serious threat, to the security of the United States of America. This adversary is one of the world’s last bastions of central planning. It governs by dictating five-year plans. From a single capital, it attempts to impose its demands across time zones, continents, oceans and beyond. With brutal consistency, it stifles free thought and crushes new ideas. It disrupts the defense of the United States and places the lives of men and women in uniform at risk.

Perhaps this adversary sounds like the former Soviet Union, but that enemy is gone: our foes are more subtle and implacable today. . . . The adversary’s closer to home. It’s the Pentagon bureaucracy.¹⁰

As Rumsfeld’s rhetorical gimmick revealed itself, the faces in the audience went stony. Most of the people listening had devoted their careers to fighting the Soviet Union and didn’t appreciate being compared to Commies at this stage in the game. Rumsfeld wasn’t finished. “We know the adversary. We know the threat. And with the same firmness of purpose that any effort against a determined adversary demands, we must get at it and stay at it . . . today we declare war on bureaucracy.”

He’d done it: the defense secretary had not only described the Pentagon as a grave threat to America but declared war against the institution where he worked. The audience was stunned. “He was saying we were the enemy, that the enemy was us. And here we were thinking we were doing the nation’s business,” the staffer told me.

It wasn’t that Rumsfeld wanted to save taxpayer dollars—he had just asked Congress for an 11 percent budget increase. But following the corporatist principles of the counterrevolution, in which Big Government joins forces with Big Business to redistribute funds upward, he wanted less spent on staff

and far more public money transferred directly into the coffers of private companies. And with that, Rumsfeld launched his “war.” Every department needed to slash its staff by 15 percent, including “every base headquarters building in the world. It’s not just the law, it’s a good idea, and we’re going to get it done.”¹¹

He had already directed his senior staff to “scour the Department [of Defense] for functions that could be performed better and more cheaply through commercial outsourcing.” He wanted to know, “Why is DoD one of the last organizations around that still cuts its own checks? When an entire industry exists to run warehouses efficiently, why do we own and operate so many of our own? At bases around the world, why do we pick up our own garbage and mop our own floors, rather than contracting services out, as many businesses do? And surely we can outsource more computer systems support.”

He even went after the sacred cow of the military establishment: health care for soldiers. Why were there so many doctors? Rumsfeld wanted to know. “Some of those needs, especially where they may involve general practice or specialties unrelated to combat, might be more efficiently delivered by the private sector.” And how about the houses for soldiers and their families—surely these could be done through “public-private partnerships.”

The Defense Department should focus on its core competency: “warfighting . . . But in all other cases, we should seek suppliers who can provide these non-core activities efficiently and effectively.”

After the speech, plenty of Pentagon staffers griped that the only thing standing in the way of Rumsfeld’s bold vision of outsourcing the army was the small matter of the U.S. Constitution, which clearly defined national security as the duty of government, not private companies. “I thought the speech was going to cost Rumsfeld his job,” my source told me.

It didn’t, and the coverage of his declaration of war on the Pentagon was sparse. That’s because the date of his contentious address was September 10, 2001.

It is a strange historical footnote that *CNN Evening News* on September 10 carried a short story under the headline “Defense Secretary Declares War on the Pentagon’s Bureaucracy” and that, the next morning, the network would report on an attack on that institution of a distinctly less metaphorical kind, one that killed 125 Pentagon employees and seriously wounded another 110 of the people whom Rumsfeld had portrayed as enemies of the state less than twenty-four hours earlier.¹²

Cheney and Rumsfeld: Proto-Disaster Capitalists

The idea at the heart of Rumsfeld's forgotten speech is nothing less than the central tenet of the Bush regime: that the job of government is not to govern but to subcontract the task to the more efficient and generally superior private sector. As Rumsfeld made clear, this task was about nothing as prosaic as trimming the budget, but was, for its advocates, a world-changing crusade on a par with defeating Communism.

By the time the Bush team took office, the privatization mania of the eighties and nineties (fully embraced by the Clinton administration, as well as state and local governments) had successfully sold off or outsourced the large, publicly owned companies in several sectors, from water and electricity to highway management and garbage collection. After these limbs of the state had been lopped off, what was left was "the core"—those functions so intrinsic to the concept of governing that the idea of handing them to private corporations challenged what it meant to be a nation-state: the military, police, fire departments, prisons, border control, covert intelligence, disease control, the public school system and the administering of government bureaucracies. The earlier stages of the privatization wave had been so profitable, however, that many of the companies that had devoured the appendages of the state were greedily eyeing these essential functions as the next source of instant riches.

By the late nineties, a powerful move was afoot to break the taboos protecting "the core" from privatization. It was, in many ways, merely a logical extension of the status quo. Just as Russia's oil fields, Latin America's telecoms, and Asia's industry had supplied the stock market with superprofits in the nineties, now it would be the U.S. government itself that would play that central economic role—all the more crucial because the backlash against privatization and free trade was spreading rapidly through the developing world, closing off other avenues for growth.

It was a move that brought the shock doctrine to a new, self-referential phase: until that point, disasters and crises had been harnessed to push through radical privatization plans after the fact, but the institutions that had the power both to create and respond to cataclysmic events—the military, the CIA, the Red Cross, the UN, emergency "first responders"—had been some of the last bastions of public control. Now, with the core set to be devoured, the crisis-exploiting methods that had been honed over the previous three decades would be used to leverage the privatization of the infrastructure of

disaster creation and disaster response. Friedman's crisis theory was going postmodern.

At the vanguard of the push to create what can only be described as a privatized police state were the most powerful figures in the future Bush administration: Dick Cheney, Donald Rumsfeld and George W. Bush himself.

For Rumsfeld, the idea of applying "market logic" to the U.S. military was a project that dated back four decades. It began in the early sixties, when he used to attend seminars at the University of Chicago's Economics Department. He had developed a particularly close connection with Milton Friedman, who, after Rumsfeld was elected to Congress at the age of thirty, took the precocious Republican under his wing, helping him to develop a bold free-market policy platform and tutoring him in economic theory. The two men remained close over the years, with Rumsfeld attending an annual birthday celebration for Friedman, organized every year by the Heritage Foundation's president, Ed Feulner. "There is something about Milton that when I am around him, and talking to him, I feel smarter," Rumsfeld said of his mentor when Friedman turned ninety.¹³

The admiration was mutual. Friedman was so impressed with Rumsfeld's commitment to deregulated markets that he aggressively lobbied Reagan to name Rumsfeld as his running mate in the 1980 election instead of George H. W. Bush—and he never did quite forgive Reagan for disregarding his advice. "I believe that Reagan made a mistake when he chose Bush as his vice-presidential candidate," Friedman wrote in his memoirs; "indeed, I regard it as the worst decision not only of his campaign but of his presidency. My favorite candidate was Donald Rumsfeld. Had he been chosen, I believe he would have succeeded Reagan as president, and the sorry Bush-Clinton period would never have occurred."¹⁴

Rumsfeld survived being passed over as Reagan's running mate by throwing himself into his burgeoning business career. As CEO of the international drug and chemical company Searle Pharmaceuticals, he used his political connections to secure the controversial and extraordinarily lucrative Food and Drug Administration (FDA) approval for aspartame (marketed as NutraSweet); and when Rumsfeld brokered the deal to sell Searle to Monsanto, he personally earned an estimated \$12 million.¹⁵

The high-stakes sale established Rumsfeld as a corporate power player, landing him seats on the boards of such blue-chip firms as Sears and Kellogg's. His status as a former defense secretary, meanwhile, made him a score

for any company that was part of what Eisenhower had called the “military-industrial complex.” Rumsfeld sat on the board of the aircraft manufacturer Gulfstream and was also paid \$190,000 a year as a board member of ASEA Brown Boveri (ABB), the Swiss engineering giant that gained unwanted attention when it was revealed to have sold nuclear technology to North Korea, including the capacity to produce plutonium. The nuclear reactor sale went through in 2000, and at the time Rumsfeld was the only North American on the ABB board. He claims to have no memory of the reactor sale coming before the board, though the company insists that “board members were informed about the project.”¹⁶

It was in 1997, when Rumsfeld was named chairman of the board of the biotech firm Gilead Sciences, that he would firmly establish himself as a proto disaster capitalist. The company had registered the patent for Tamiflu, a treatment for many kinds of influenza and the preferred drug for avian flu.* If there was ever an outbreak of the highly contagious virus (or the threat of one), governments would be forced to buy billions of dollars’ worth of the treatment from Gilead Sciences.

The patenting of drugs and vaccines to treat public health emergencies remains a controversial subject. The U.S. has been epidemic-free for several decades, but when the polio outbreak was at its peak in the mid-fifties, the ethics of disease profiteering were hotly debated. With close to sixty thousand known cases of polio, and parents terrified that their children were going to contract the crippling, often fatal, disease, the search for a cure was frantic. When Jonas Salk, a scientist at the University of Pittsburgh, found it and developed the first polio vaccine in 1952, he did not patent the lifesaving treatment. “There is no patent,” Salk told the broadcaster Edward R. Murrow: “Could you patent the sun?”¹⁷

It’s safe to say that if you could patent the sun, Donald Rumsfeld would have long since put in an application with the U.S. Patent and Trademark Office. His former company Gilead Sciences, which also owns the patents on four AIDS treatments, spends a great deal of energy trying to block the distribution of cheaper generic versions of its lifesaving drugs in the developing

* Tamiflu has become highly controversial. In a growing number of reported cases, young people who took the drug became confused, paranoid, delusional and suicidal. Between November 2005 and November 2006, twenty-five deaths around the world were linked to Tamiflu, and in the United States the drug is now issued with a health warning alerting patients to an “increased risk of self-injury and confusion” and urging them to “be closely monitored for signs of unusual behavior.”

world. It has been targeted for these activities by public health activists in the U.S., who point out that some of Gilead’s key medicines were developed on grants funded by taxpayers.¹⁸ Gilead, for its part, sees epidemics as a growth market, and it has an aggressive marketing campaign to encourage businesses and individuals to stockpile Tamiflu, just in case. Before he reentered government, Rumsfeld was so convinced that he was on to a hot new industry that he helped found several private investment funds specializing in biotechnology and pharmaceuticals.¹⁹ These companies are banking on an apocalyptic future of rampant disease, one in which governments are forced to buy, at top dollar, whatever lifesaving products the private sector has under patent.

Dick Cheney, a protégé of Rumsfeld’s in the Ford administration, has also built a fortune based on the profitable prospect of a grim future, though where Rumsfeld saw a boom market in plagues, Cheney was banking on a future of war. As secretary of defense under Bush Sr., Cheney scaled down the number of active troops and dramatically increased reliance on private contractors. He contracted Brown & Root, the engineering division of the Houston-based multinational Halliburton, to identify tasks being performed by U.S. troops that could be taken over by the private sector for a profit. Not surprisingly, Halliburton identified all kinds of jobs that the private sector could perform, and those findings led to a bold new Pentagon contract: the Logistics Civil Augmentation Program, or LOGCAP. The Pentagon was notorious for its multi-billion-dollar contracts with weapons manufacturers, but this was something new: not supplying the military with gear but serving as manager for its operations.²⁰

A select group of companies was invited to apply to provide unlimited “logistical support” for U.S. military missions, an extremely vague work description. Furthermore, no dollar value was attached to the contract: the winning company was simply assured that whatever it did for the military, it would have its costs covered by the Pentagon, plus a guaranteed profit—what is known as a “cost plus” contract. These were the final days of the Bush Sr. administration, and the company that won the contract in 1992 was none other than Halliburton. As the *Los Angeles Times*’s T. Christian Miller noted, Halliburton “beat out thirty-six other bidders to win a five-year contract—not surprising perhaps, given that it was the company that drew up the plans.”

In 1995, with Clinton in the White House, Halliburton recruited Cheney as its new boss. While the Halliburton division Brown & Root had a long history as a U.S. military contractor, under Cheney’s leadership Halliburton’s

role was to expand so dramatically that it would transform the nature of modern war. Thanks to the loosely worded contract that Halliburton and Cheney had crafted when he was at the Pentagon, the company was able to stretch and expand the meaning of the term “logistical support” until Halliburton was responsible for creating the entire infrastructure of a U.S. military operation overseas. All that was required of the army was to provide the soldiers and the weapons—they were, in a way, content providers, while Halliburton ran the show.

The result, first on display in the Balkans, was a kind of McMilitary experience in which deploying abroad resembled a heavily armed and perilous package vacation. “The first person to greet our soldiers as they arrive in the Balkans and the last one to wave goodbye is one of our employees,” a Halliburton spokesperson explained, making the company’s staff sound more like cruise directors than army logistics coordinators.²¹ That was the Halliburton difference: Cheney saw no reason why war shouldn’t be a thriving part of America’s highly profitable service economy—invasion with a smile.

In the Balkans, where Clinton deployed nineteen thousand soldiers, U.S. bases sprang up as mini Halliburton cities: neat, gated suburbs, built and run entirely by the company. And Halliburton was committed to providing the troops with all the comforts of home, including fast-food outlets, supermarkets, movie theaters and high-tech gyms.²² Some senior officers wondered what the strip-malling of the military would do to troop discipline—but they too were enjoying the perks. “Everything with Halliburton was gold-plated,” one told me. “So we weren’t complaining.” As far as Halliburton was concerned, keeping the customer satisfied was good business—it guaranteed more contracts, and because profits were calculated as a percentage of costs, the higher the costs, the higher the profits. “Don’t worry, it’s cost plus,” was a saying made famous in Baghdad’s Green Zone, but the deluxe war spending was pioneered during the Clinton era. In just five years at Halliburton, Cheney almost doubled the amount of money the company extracted from the U.S. Treasury, from \$1.2 billion to \$2.3 billion, while the amount it received in federal loans and loan guarantees increased fifteenfold.²³ And he was well rewarded for his efforts. Before taking office as vice president, Cheney “valued his net worth at between \$18 million and \$81.9 million, including between \$6 million and \$30 million worth of stock in Halliburton Co. . . . Overall, Cheney was given some 1,260,000 Halliburton options, with 100,000 already used, 760,000 eligible to be redeemed and 166,667 to become valid this December [2000].”²⁴

The push to expand the service economy into the heart of government was, for Cheney, a family affair. In the late nineties, while he was turning military bases into Halliburton suburbs, his wife, Lynne, was earning stock options in addition to her salary as a board member at Lockheed Martin, the world’s largest defense contractor. Lynne’s time on the board, from 1995 to 2001, coincided with a key period of transition for companies like Lockheed.²⁵ The Cold War was over, defense spending was dropping, and with nearly their entire budgets coming from government weapons contracts, these firms needed a new business model. At Lockheed and its fellow arms manufacturers, a strategy emerged to aggressively pursue a new line of work: running the government for a fee.

In the mid-nineties, Lockheed began taking over information technology divisions of the U.S. government, running its computer systems and a great deal of its data management. Largely under the public radar, the company went so far in this direction that, in 2004, *The New York Times* reported, “Lockheed Martin doesn’t run the United States. But it does help run a breathtakingly big part of it. . . . It sorts your mail and totals your taxes. It cuts Social Security checks and counts the United States census. It runs space flights and monitors air traffic. To make all that happen, Lockheed writes more computer code than Microsoft.”²⁶

It made for a powerful husband-and-wife team. While Dick was steering Halliburton to take over the infrastructure of warfare abroad, Lynne was helping Lockheed to take over the day-to-day running of government at home. At times husband and wife found themselves in direct competition. In 1996, when the state of Texas announced that corporations could bid to run its welfare program—a contract worth up to \$2 billion over five years—both Lockheed and the IT giant Electronic Data Systems, which boasted Dick Cheney as a board member, bid on the contract. In the end, the Clinton administration intervened and halted the auction. Though it was generally an enthusiastic supporter of outsourcing, deciding who was eligible to receive welfare was determined to be an essential role of government, not suitable for privatization. Both Lockheed and EDS cried foul, as did the

* All the large weapons makers got into the business of running government in this period. Computer Sciences, which provides information technologies to the military, including biometric IDs, won a \$644 million contract from the county of San Diego to run all its information technology—one of the largest contracts of its kind ever awarded. The county became dissatisfied with Computer Sciences’ performance and did not renew the contract, only to give it to yet another weapons giant, Northrop Grumman, maker of the B-2 stealth bomber.

governor of Texas, George W. Bush, who thought privatizing the welfare system was a terrific idea.²⁷

George W. Bush didn't distinguish himself as governor in too many ways, but there was one area in which he excelled: parceling out to private interests the various functions of the government he was elected to run—especially security-related functions, a preview of the privatized War on Terror he would soon unleash. Under his watch, the number of private prisons in Texas grew from twenty-six to forty-two, prompting *The American Prospect* magazine to call Bush's Texas “the world capital of the private-prison industry.” In 1997, the FBI launched an investigation into a jail in Brazoria County, forty miles outside Houston, after a local television station aired a videotape of guards kicking unresisting inmates in the groin, shooting them with stun guns and attacking them with dogs. At least one of the violent guards in the video was wearing the uniform of Capital Correctional Resources, a private company contracted to supply guards for the prison.²⁸

Bush's enthusiasm for privatization was in no way dampened by the Brazoria incident. A few weeks later, he had what appears to have been an epiphany when he met José Piñera, the Chilean minister who had privatized social security during the Pinochet dictatorship. This is Piñera's description of the meeting: “By his concentrated focus, his body language [and] his relevant questions, I knew immediately that Mr. Bush had fully understood the essence of my idea: that Social Security reform could be used both to provide a decent retirement and to create a world of worker-capitalists, an ownership society. . . . He was so enthusiastic that at the end he whispered in my ear with a smile, ‘Go and tell all this to my little brother in Florida. He will also love it.’”²⁹

The future president's commitment to auctioning off the state, combined with Cheney's leadership in outsourcing the military and Rumsfeld's patenting of drugs that might prevent epidemics, provided a preview of the kind of state the three men would construct together—it was a vision of a perfectly hollow government. Though this radical program did not form the centerpiece of Bush's campaign for the presidency in 2000, there were hints of what was in store: “There are hundreds of thousands of full-time federal employees that are performing tasks that could be done by companies in the private sector,” Bush said in one campaign speech. “I will put as many of these tasks as possible up for competitive bidding. If the private sector can do a better job, the private sector should get the contract.”³⁰

September 11 and the Civil Service Comeback

As Bush and his cabinet took their posts in January 2001, the need for new sources of growth for U.S. corporations took on even greater urgency. With the tech bubble now officially popped and the Dow Jones tumbling 824 points in their first two and half months in office, they found themselves staring in the face of a serious economic downturn. Keynes had argued that governments should spend their way out of recessions, providing economic stimulus with public works. Bush's solution was for the government to deconstruct itself—hacking off great chunks of the public wealth and feeding them to corporate America, in the form of tax cuts on the one hand and lucrative contracts on the other. Bush's budget director, the think-tank ideologue Mitch Daniels, pronounced, “The general idea—that the business of government is not to provide services, but to make sure that they are provided—seems self-evident to me.”³¹ That assessment included disaster response. Joseph Allbaugh, the Republican Party operative whom Bush put in charge of the Federal Emergency Management Agency (FEMA)—the body responsible for responding to disasters, including terrorist attacks—described his new place of work as “an oversized entitlement program.”³²

Then came 9/11, and all of a sudden having a government whose central mission was self-immolation did not seem like a very good idea. With a frightened population wanting protection from a strong, solid government, the attacks could well have put an end to Bush's project of hollowing out government just as it was beginning.

For a while, that even seemed to be the case. “September 11 has changed everything,” said Ed Feulner, Milton Friedman's old friend and president of the Heritage Foundation, ten days after the attack, making him one of the first to utter the fateful phrase. Many naturally assumed that part of that change would be a reevaluation of the radical antistate agenda that Feulner and his ideological allies had been pushing for three decades, at home and around the world. After all, the nature of the September 11 security failures exposed the results of more than twenty years of chipping away at the public sector and outsourcing government functions to profit-driven corporations. Much as the flooding of New Orleans exposed the rotting condition of public infrastructure, the attacks pulled back the curtain on a state that had been allowed to grow dangerously weak: radio communications for the New York City police and firefighters broke down in the middle of the rescue operation, air traffic controllers didn't notice the off-course planes in time, and the attackers had

passed through airport security checkpoints staffed by contract workers, some of whom earned less than their counterparts at the food court.³³

The first major victory of the Friedmanite counterrevolution in the United States had been Ronald Reagan's attack on the air traffic controllers' union and his deregulation of the airlines. Twenty years later, the entire air transit system had been privatized, deregulated and downsized, with the vast majority of airport security work performed by underpaid, poorly trained, nonunion contractors. After the attacks, the inspector general of the Department of Transportation testified that the airlines, which were responsible for security on their flights, had skimmed significantly to keep costs down. The "counterpressures in turn manifested themselves as significant weaknesses in security," he told the Bush-convened 9/11 Commission. A longtime Federal Aviation Authority security official testified before the commission that the airlines' approach to security was "decry, deny and delay."³⁴

On September 10, as long as flights were cheap and plentiful, none of that seemed to matter. But on September 12, putting \$6-an-hour contract workers in charge of airport security seemed reckless. Then, in October, envelopes with white powder were sent to lawmakers and journalists, spreading panic about the possibility of a major anthrax outbreak. Once again, nineties privatization looked very different in this new light: Why did a private lab have the exclusive right to produce the anthrax vaccine? Had the federal government signed away its responsibility to protect the public from a major public health emergency? It didn't help that Bioport, the privatized lab in question, had failed a series of inspections and that the FDA wasn't even authorizing it to distribute its vaccines at the time.³⁵ Furthermore, if it was true, as media reports kept claiming, that anthrax, smallpox and other deadly agents could be spread through the mail, the food supply or the water systems, was it really such a good idea to be pushing ahead with Bush's plans to privatize the postal service? And what about all those laid-off food and water inspectors—could somebody bring them back?

The backlash against the pro-corporate consensus only deepened in the face of new scandals like that of Enron. Three months after the 9/11 attacks, Enron declared bankruptcy, leading thousands of employees to lose their retirement savings while executives acting on insider knowledge cashed out. The crisis contributed to a general plummeting of faith in private industry to perform essential services, especially when it came out that it was Enron's manipulation of energy prices that had led to the massive blackouts in California a few months earlier. Milton Friedman, aged ninety, was so concerned that

the tides were shifting back toward Keynesianism that he complained that "businessmen are being presented in the public as second-class citizens."³⁶

While CEOs were falling from their pedestals, unionized public sector workers—the villains of Friedman's counterrevolution—were rapidly ascending in the public's estimation. Within two months of the attacks, trust in government was higher than it had been since 1968—and that, remarked Bush to a crowd of federal employees, is "because of how you've performed your jobs."³⁷ The uncontested heroes of September 11 were the blue-collar first responders—the New York firefighters, police and rescue workers, 403 of whom lost their lives as they tried to evacuate the towers and aid the victims. Suddenly, America was in love with its men and women in all kinds of uniforms, and its politicians—slapping on NYPD and FDNY baseball caps with unseemly speed—were struggling to keep up with the new mood.

When Bush stood with the firefighters and rescue workers at Ground Zero on September 14—what his advisers call "the bullhorn moment"—he was embracing some of the very unionized civil servants that the modern conservative movement had devoted itself to destroying. Of course he had to do it (even Dick Cheney put on a hard hat in those days), but he didn't have to do it so convincingly. Through some combination of genuine feeling on Bush's part, and the public's projected desire for a leader worthy of the moment, these were the most moving speeches of Bush's political career.

For weeks after the attacks, the president went on a grand tour of the public sector—public schools, firehouses and memorials, the Centers for Disease Control and Prevention—embracing and thanking civil servants for their contributions and humble patriotism. "We have gained new heroes," Bush said in a speech, praising not only emergency services personnel but teachers, postal employees and health care workers.³⁸ At these events, he treated work done in the public interest with a level of respect and dignity that had not been seen in the United States in four decades. Cost-cutting was suddenly off the agenda, and in every speech the president gave, he announced some ambitious new public program.

"The twin demands of a sagging economy and an urgent new war on terrorism have transformed the philosophical heart of President Bush's agenda," confidently declared John Harris and Dana Milbank in *The Washington Post* eleven days after the attacks. "A man who came to power offering himself as an ideological descendant of Ronald Reagan has emerged nine months later as something closer to an heir of Franklin D. Roosevelt." They further observed that "Bush is working on a large economic stimulus package to stave

off recession. He said a weak economy needs its pump primed by government with a big infusion of money—a basic precept of Keynesian economics that was at the heart of FDR's New Deal.³⁹

A Corporate New Deal

Public pronouncements and photo ops aside, Bush and his inner circle had no intention of converting to Keynesianism. Far from shaking their determination to weaken the public sphere, the security failures of 9/11 reaffirmed their deepest ideological (and self-interested) beliefs—that only private firms possessed the intelligence and innovation to meet the new security challenge. Although it was true that the White House was on the verge of spending huge amounts of taxpayer money to stimulate the economy, it most certainly was not going to be on the model of FDR. Rather, Bush's New Deal would be exclusively with corporate America, a straight-up transfer of hundreds of billions of public dollars a year into private hands. It would take the form of contracts, many offered secretly, with no competition and scarcely any oversight, to a sprawling network of industries: technology, media, communications, incarceration, engineering, education, health care.*

What happened in the period of mass disorientation after the attacks was, in retrospect, a domestic form of economic shock therapy. The Bush team, Friedmanite to the core, quickly moved to exploit the shock that gripped the nation to push through its radical vision of a hollow government in which everything from war fighting to disaster response was a for-profit venture.

It was a bold evolution of shock therapy. Rather than the nineties approach of selling off existing public companies, the Bush team created a whole new framework for its actions—the War on Terror—built to be private from the start. This feat required two stages. First, the White House used the omnipresent sense of peril in the aftermath of 9/11 to dramatically increase the policing, surveillance, detention and war-waging powers of the executive branch—a power grab that the military historian Andrew Bacevich has termed “a rolling coup.”⁴⁰ Then those newly enhanced and richly funded functions

* The lack of competition in awarding contracts has been one of the distinguishing features of the Bush years. A *New York Times* analysis in February 2007 found that “fewer than half of all ‘contract actions’—new contracts and payments against existing contracts—are now subject to full and open competition. Just 48 percent were competitive in 2005, down from 79 percent in 2001.”

of security, invasion, occupation and reconstruction were immediately outsourced, handed over to the private sector to perform at a profit.

Although the stated goal was fighting terrorism, the effect was the creation of the disaster capitalism complex—a full-fledged new economy in homeland security, privatized war and disaster reconstruction tasked with nothing less than building and running a privatized security state, both at home and abroad. The economic stimulus of this sweeping initiative proved enough to pick up the slack where globalization and the dot-com booms had left off. Just as the Internet had launched the dot-com bubble, 9/11 launched the disaster capitalism bubble. “When the IT industry shut down, post-bubble, guess who had all the money? The government,” said Roger Novak of Novak Biddle Venture Partners, a venture capitalism firm that invests in homeland security companies. Now, he says, “every fund is seeing how big the trough is and asking, How do I get a piece of that action?”⁴¹

It was the pinnacle of the counterrevolution launched by Friedman. For decades, the market had been feeding off the appendages of the state; now it would devour the core.

Bizarrely, the most effective ideological tool in this process was the claim that economic ideology was no longer a primary motivator of U.S. foreign or domestic policy. The mantra “September 11 changed everything” neatly disguised the fact that for free-market ideologues and the corporations whose interests they serve, the only thing that changed was the ease with which they could pursue their ambitious agenda. Now, rather than subjecting new policies to fractious public debate in Congress or bitter conflict with public sector unions, the Bush White House could use the patriotic alignment behind the president and the free pass handed out by the press to stop talking and start doing. As *The New York Times* observed in February 2007, “Without a public debate or formal policy decision, contractors have become a virtual fourth branch of government.”⁴²

Rather than meet the security challenge posed by September 11 with a comprehensive plan to plug the holes in the public infrastructure, the Bush team devised a new role for government, one in which the job of the state was not to provide security but to purchase it at market prices. And so, in November 2001, just two months after the attacks, the Department of Defense brought together what it described as “a small group of venture capitalist consultants” with experience in the dot-com sector. The mission was to identify “emerging technology solutions that directly assist in the U.S. efforts in the Global

War on Terrorism.” By early 2006, this informal exchange had become an official arm of the Pentagon: the Defense Venture Catalyst Initiative (DeVenCI), a “fully operational office” that continually feeds security information to politically connected venture capitalists, who, in turn, scour the private sector for start-ups that can produce new surveillance and related products. “We’re a search engine,” explains Bob Pohanka, director of DeVenCI.⁴³ According to the Bush vision, the role of government is merely to raise the money necessary to launch the new war market, then buy the best products that emerge out of that creative cauldron, encouraging industry to even greater innovation. In other words, the politicians create the demand, and the private sector supplies all manner of solutions—a booming economy in homeland security and twenty-first-century warfare entirely underwritten by taxpayer dollars.

The Department of Homeland Security, as a brand-new arm of the state created by the Bush regime, is the clearest expression of this wholly outsourced mode of government. As Jane Alexander, deputy director of the research wing of the Department of Homeland Security, explained, “We don’t make things. If it doesn’t come from industry, we are not going to be able to get it.”⁴⁴

Another is Counterintelligence Field Activity (CIFA), a new intelligence agency created under Rumsfeld that is independent of the CIA. This parallel spy agency outsources 70 percent of its budget to private contractors; like the Department of Homeland Security, it was built as a hollow shell. As Ken Minihan, former director of the National Security Agency, explained, “Homeland security is too important to be left to the government.” Minihan, like hundreds of other Bush administration staffers, has already left his government post to work in the burgeoning homeland security industry, which, as a top spy, he helped create.⁴⁵

Every aspect of the way the Bush administration has defined the parameters of the War on Terror has served to maximize its profitability and sustainability as a market—from the definition of the enemy to the rules of engagement to the ever-expanding scale of the battle. The document that launched the Department of Homeland Security declares, “Today’s terrorists can strike at any place, at any time, and with virtually any weapon”—which conveniently means that the security services required must protect against every imaginable risk in every conceivable place at every possible time. And it’s not necessary to prove that a threat is real for it to merit a full-scale response—not with Cheney’s famous “1 percent doctrine,” which justified

the invasion of Iraq on the grounds that if there is a 1 percent chance that something is a threat, it requires that the U.S. respond as if the threat is a 100 percent certainty. This logic has been a particular boon for the makers of various high-tech detection devices: for instance, because we can conceive of a smallpox attack, the Department of Homeland Security has handed out half a billion dollars to private companies to develop and install detection equipment to guard against this unproven threat.⁴⁶

Through all its various name changes—the War on Terror, the war on radical Islam, the war against Islamofascism, the Third World War, the long war, the generational war—the basic shape of the conflict has remained unchanged. It is limited by neither time nor space nor target. From a military perspective, these sprawling and amorphous traits make the War on Terror an unwinnable proposition. But from an economic perspective, they make it an unbeatable one: not a flash-in-the-pan war that could potentially be won but a new and permanent fixture in the global economic architecture.

That was the business prospectus that the Bush administration put before corporate America after September 11. The revenue stream was a seemingly bottomless supply of tax dollars to be funneled from the Pentagon (\$270 billion a year to private contractors, a \$137 billion increase since Bush took office); U.S. intelligence agencies (\$42 billion a year to contractors for outsourced intelligence, more than double 1995 levels); and the newest arrival, the Department of Homeland Security. Between September 11, 2001, and 2006, the Department of Homeland Security handed out \$130 billion to private contractors—money that was not in the economy before and that is more than the GDP of Chile or the Czech Republic. In 2003, the Bush administration spent \$327 billion on contracts to private companies—nearly 40 cents of every discretionary dollar.⁴⁷

In a remarkably short time, the suburbs ringing Washington, D.C., became dotted with gray buildings housing security “start-ups” and “incubator” companies, hastily thrown together operations where, as in late-nineties Silicon Valley, the money came in faster than the furniture could be assembled. The Bush administration, meanwhile, played the part of the free-spending venture capitalist of that same heady era. Whereas in the nineties the goal was to develop the killer application, the “next new new thing,” and sell it to Microsoft or Oracle, now it was to come up with a new “search and nail” terrorist-catching technology and sell it to the Department of Homeland Security or the Pentagon. That is why, in addition to the start-ups and investment funds, the disaster industry also gave birth to an army of new

lobby firms promising to hook up new companies with the right people on Capitol Hill—in 2001, there were two such security-oriented lobby firms, but by mid-2006 there were 543. “I’ve been in private equity since the early ’90s,” Michael Steed, managing director of the homeland security firm Paladin told *Wired*, “and I’ve never seen a sustained deal flow like this.”⁴⁸

A Market for Terrorism

Like the dot-com bubble, the disaster bubble is inflating in an ad hoc and chaotic fashion. One of the first booms for the homeland security industry was surveillance cameras, 4.2 million of which have been installed in Britain, one for every fourteen people, and 30 million in the U.S., shooting about 4 billion hours of footage a year. That created a problem: Who’s going to watch 4 billion hours of footage? So a new market emerged for “analytic software” that scans the tapes and creates matches with images already on file (networking various security systems has been the source of some of the most lucrative contracts, such as \$9 billion from the air force to a consortium of companies including Booz Allen Hamilton, one of the oldest strategy consulting firms, and some of the largest defense contractors).⁴⁹

This development created another problem, because facial recognition software can really make positive IDs only if people present themselves front and center to the cameras, which they rarely do while rushing to and from work. So another market was created for digital image enhancement. Salient Stills, a company that sells software to isolate and enhance video images, started by pitching its technology to media companies, but it turned out that there was more potential revenue from the FBI and other law-enforcement agencies.⁵⁰ And with all the snooping going on—phone logs, wiretapping, financial records, mail, surveillance cameras, Web surfing—the government is drowning in data, which has opened up yet another massive market in information management and data mining, as well as software that claims to be able to “connect the dots” in this ocean of words and numbers and pinpoint suspicious activity.

In the nineties, tech companies endlessly trumpeted the wonders of the borderless world and the power of information technology to topple authoritarian regimes and bring down walls. Today, inside the disaster capitalism complex, the tools of the information revolution have been flipped to serve the opposite purpose. In the process, cell phones and Web surfing have been turned into powerful tools of mass state surveillance by increasingly

authoritarian regimes, with the full cooperation of privatized phone companies and search engines, whether it’s Yahoo collaborating with the Chinese government to pinpoint the location of dissidents or AT&T helping the U.S. National Security Agency to wiretap its customers without a warrant (a practice the Bush administration claims it has discontinued). The dismantling of borders, the great symbol and promise of globalization, has been replaced with the exploding industry of border surveillance, from optical scanning and biometric IDs to the planned high-tech fence on the border between Mexico and the U.S., worth up to \$2.5 billion for Boeing and a consortium of other companies.⁵¹

As high-tech firms have jumped from one bubble to another, the result has been a bizarre merger of security and shopping cultures. Many technologies in use today as part of the War on Terror—biometric identification, video surveillance, Web tracking, data mining, sold by companies like Verint Systems and Seisint, Accenture and ChoicePoint—had been developed by the private sector before September 11 as a way to build detailed customer profiles, opening up new vistas for micromarketing. They also promised to reduce the number of retail workers at supermarkets and shopping malls, because biometric IDs, combined with cash cards, would eliminate the need for tellers. When widespread discomfort about big-brother technologies stalled many of these initiatives, it caused dismay to both marketers and retailers. September 11 loosened this logjam in the market: suddenly the fear of terror was greater than the fear of living in a surveillance society. So now, the same information collected from cash cards or “loyalty” cards can be sold not only to a travel agency or the Gap as marketing data but also to the FBI as security data, flagging a “suspicious” interest in pay-as-you-go cell phones and Middle Eastern travel.⁵²

As an exuberant article in the business magazine *Red Herring* explained, one such program “tracks terrorists by figuring out if a name spelled a hundred different ways matches a name in a homeland security database. Take the name Mohammad. The software contains hundreds of possible spellings for the name, and it can search terabytes of data in a second.”⁵³ Impressive, unless they nail the wrong Mohammad, which they have a bad habit of doing, from Iraq to Afghanistan to the suburbs of Toronto.

This potential for error is where the incompetence and greed that have been the hallmark of the Bush years, from Iraq to New Orleans, becomes harrowing. One false ID coming out of any of these electronic fishing expeditions is enough for an apolitical family man, who sort of looks like someone

whose name sort of sounds like his (at least to someone with no knowledge of Arabic or Muslim culture), to be flagged as a potential terrorist. And the process of putting names and organizations on watch lists is also now handled by private companies, as are the programs to cross-check the names of travelers with the names in the data bank. As of June 2007, there were half a million names on a list of suspected terrorists kept by the National Counterterrorism Center. Another program, the Automated Targeting System (ATS), made public in November 2006, has already assigned a “risk assessment” rating to tens of millions of travelers passing through the U.S. The rating, never disclosed to passengers, is based on suspicious patterns revealed through commercial data mining—for instance, information provided by airlines about “the passenger’s history of one-way ticket purchase, seat preferences, frequent flyer records, number of bags, how they pay for tickets and even what meals they order.”⁵⁴ Incidents of supposedly suspicious behaviour are tallied up to generate each passenger’s risk rating.

Anyone can be blocked from flying, denied an entry visa to the U.S. or even arrested and named as an “enemy combatant” based on evidence from these dubious technologies—a blurry image identified through facial recognition software, a misspelled name, a misunderstood snippet of a conversation. If “enemy combatants” are not U.S. citizens, they will probably never even know what it was that convicted them, because the Bush administration has stripped them of habeas corpus, the right to see the evidence in court, as well as the right to a fair trial and a vigorous defense.

If the suspect is taken, as a result, to Guantánamo, he may well end up in the new two-hundred-person maximum-security prison constructed by Haliburton. If he is a victim of the CIA’s “extraordinary rendition” program, kidnapped off the streets of Milan or while changing planes at a U.S. airport, then whisked to a so-called black site somewhere in the CIA’s archipelago of secret prisons, the hooded prisoner will likely fly in a Boeing 737, designed as a deluxe executive jet, retrofitted for this purpose. According to *The New Yorker*, Boeing has been acting as the “CIA’s travel agent”—blocking out flight plans for as many as 1,245 rendition voyages, arranging ground crews and even booking hotels. A Spanish police report explains that the work was done by Jeppesen International Trip Planning, a Boeing subsidiary in San Jose. In May 2007, the American Civil Liberties Union launched a lawsuit against the Boeing subsidiary; the company has refused to confirm or deny the allegations.⁵⁵

Once the prisoners arrive at the destination, they face interrogators, some of whom will not be employed by the CIA or the military but by private

contractors. According to Bill Golden, who runs the job Web site www.IntelligenceCareers.com, “Over half of the qualified counter-intelligence experts in the field work for contractors.”⁵⁶ If these freelance interrogators are to keep landing lucrative contracts, they must extract from prisoners the kind of “actionable intelligence” their employers in Washington are looking for. It’s a dynamic ripe for abuse: just as prisoners under torture will usually say anything to make the pain stop, contractors have a powerful economic incentive to use whatever techniques are necessary to produce the sought-after information, regardless of its reliability. (Part of the reason the Bush administration has relied so heavily on private intelligence contractors working in new structures like Rumsfeld’s secretive Office of Special Plans is that they have proven far more willing than their counterparts in governments to massage and manipulate information to meet the political goals of the administration—after all, their next contract depends on it.)

Then there is the low-tech version of this application of market “solutions” to the War on Terror—the willingness to pay top dollar to pretty much anyone for information about alleged terrorists. During the invasion of Afghanistan, U.S. intelligence agents let it be known that they would pay anywhere from \$3,000 to \$25,000 for al Qaeda or Taliban fighters handed over to them. “Get wealth and power beyond your dreams,” stated a typical flyer handed out by the U.S. in Afghanistan, introduced as evidence in a 2002 U.S. federal court filing on behalf of several Guantánamo prisoners. “You can receive millions of dollars helping the anti-Taliban forces. . . . This is enough money to take care of your family, your village, your tribe for the rest of your life.”⁵⁷

Soon enough, the cells of Bagram and Guantánamo were overflowing with goatherds, cabdrivers, cooks and shopkeepers—all lethally dangerous according to the men who turned them over and collected the rewards.

“Do you have any theories about why the government and the Pakistani intel folks would sell you out and turn you over to the Americans?” a member of a military tribunal asked an Egyptian prisoner held in the Guantánamo prison.

In the declassified transcript, the prisoner appears incredulous. “Come on, man,” he replied, “you know what happened. In Pakistan you can buy people for \$10. So what about \$5,000?”

“So they sold you?” the tribunal member asked, as if the thought had never before occurred to him.

“Yes.”

According to the Pentagon's own figures, 86 percent of the prisoners at Guantánamo were handed over by Afghan and Pakistani fighters or agents after the bounties were announced. As of December 2006, the Pentagon had released 360 prisoners from Guantánamo. The Associated Press was able to track down 245 of them; 205 had been freed or cleared of all charges when they returned to their home countries.⁵⁸ It is a track record that is a grave indictment of the quality of intelligence produced by the administration's market-based approach to terrorist identification.

In just a few years, the homeland security industry, which barely existed before 9/11, has exploded to a size that is now significantly larger than either Hollywood or the music business.⁵⁹ Yet what is most striking is how little the security boom is analyzed and discussed *as an economy*, as an unprecedented convergence of unchecked police powers and unchecked capitalism, a merger of the shopping mall and the secret prison. When information about who is or is not a security threat is a product to be sold as readily as information about who buys Harry Potter books on Amazon or who has taken a Caribbean cruise and might enjoy one in Alaska, it changes the values of a culture. Not only does it create an incentive to spy, torture and generate false information but it creates a powerful impetus to perpetuate the fear and sense of peril that created the industry in the first place.

When new economies emerged in the past, from the Fordist revolution to the IT boom, they sparked a flood of analysis and debate about how such seismic shifts in the production of wealth were also altering the way we as a culture worked, the way we traveled, even the way our brains process information. The new disaster economy has been subject to none of this kind of far-reaching discussion. There have been and are debates, of course—about the constitutionality of the Patriot Act, about indefinite detention, about torture and extraordinary rendition—but discussion of what it means to have these functions performed as commercial transactions has been almost completely avoided. What passes for debate is restricted to individual cases of war profiteering and corruption scandals, as well as the usual hand-wringing about the failure of government to adequately oversee private contractors—rarely about the much broader and deeper phenomenon of what it means to be engaged in a fully privatized war built to have no end.

Part of the problem is that the disaster economy sneaked up on us. In the eighties and nineties, new economies announced themselves with great pride and fanfare. The tech bubble in particular set a precedent for a new

ownership class inspiring deafening levels of hype—endless media lifestyle profiles of dashing young CEOs beside their private jets, their remote-controlled yachts, their idyllic Seattle mountain homes.

That kind of wealth is being generated by the disaster complex today, though we rarely hear about it. According to a 2006 study, “Since the ‘War on Terror’ began, the CEOs of the top 34 defense contractors have enjoyed average pay levels that are double the amounts they received during the four years leading up to 9/11.” While these CEOs saw their compensation go up an average of 108 percent between 2001 and 2005, chief executives at other large American companies averaged only 6 percent over the same period.⁶⁰

The disaster industry may be approaching dot-com levels of profit, but it generally has CIA levels of discretion. Disaster capitalists dodge the press, play down their wealth and know better than to brag. “We are not celebrating that there is this huge industry blossoming around protecting ourselves from terrorism,” said John Elstner of the Chesapeake Innovation Center, a homeland security incubator. “But there is big business going on, and CIC is in the middle of it.”⁶¹

Peter Swire, who served as the U.S. government's privacy counselor during the Clinton administration, describes the convergence of forces behind the War on Terror bubble like this: “You have government on a holy mission to ramp up information gathering and you have an information technology industry desperate for new markets.”⁶² In other words, you have corporatism: big business and big government combining their formidable powers to regulate and control the citizenry.