

Michael Swanson

What Is The Purpose of the National Security State?

TRANSCRIPT

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00:14 Jacob: Michael Swanson is the founder and editor of the financial website, wallstreetwindow.com, where he writes about the financial markets. Before founding that site, he co-managed a hedge fund from 2003 to 2006. Swanson has a Master's Degree in American History from the University of Virginia, and his written works of 20th century American history, including "Danville, Virginia: And the Coming of the Modern South," and one of the greatest books you'll ever read, "The War State: The Cold War Origins of the Military-Industrial Complex and the Power Elite." He is currently working on a book covering the beginning of US involvement in the Vietnam War from 1945 to 1963.

00:56 Jacob: And I'll tell you, just a little personal anecdote, we get a lot of books at the Future of Freedom Foundation, that people send us to look at, and review, and so forth, and so on. When I got "The War State" from Mike Swanson, I didn't know who he was. I thought, "Well, it was just another one of those books," and I started to stump through it, and I was just stunned. And I started really looking through it, and I take it home that night, and I was just overwhelmed with what... The

power of this book. And so I contacted him, and we later met at a conference in Pennsylvania on the JFK assassination. We've become good friends and I can't recommend this book too highly. In fact, he donated several copies, so most of you have this book in your packets, and that's a compliment to Mike Swanson. The title of Mike's talk is, "What is the Purpose of the National Security State?" Michael Swanson.

[applause]

02:00 Michael Swanson: Well, thanks for that kind introduction, Jacob. And it's a great day to be here with everybody, and we all have read many of [chuckle] the same books, and studied each other's books, and works, and even talked on the internet at times, on Facebook, or watched each other's YouTube shows, for that matter. I was thinking about that walking up here, because just two weeks ago, I watched Ron Paul doing an interview with Nassim Taleb, and it's real relevant for this topic, because in that interview, they talked about the National Security State, and the decisions to intervene in other countries, and why the people who make these decisions never seem to disappear, or get fired, or anything. And Taleb's answer in this interview's, 'cause they had no skin in the game. And that's one answer, I'm going to try to provide an additional answer to it. But that's not to say I disagree with everything Taleb says. He's someone I actually have been influenced a lot by, but a lot of studying a topic like this, I think, is about asking the right questions, and going from deeper questions, as time goes on.

03:19 MS: The question that's... When I wrote the book you have in your hands, I was focusing on the idea that the United States had become an empire, basically, after World War II. And if we flip to this statement right here, this is David Petraeus, February the 1st, at the Armed Services Committee. Essentially, he's not saying the word 'empire,' but he's sort of stating that, "We have an international order that we seek to maintain." "And if we stopped doing so," he states, "It'll collapse, and obviously, there will be..." He implies, bad consequences to that.

03:57 MS: Now, [chuckle], that's his answer, and what I wanna do, is go through... In this presentation, one of the things I'm gonna do, is show what people, such as Petraeus, in the past, has said the purposes of the National Security State is. But the question that's actually gripped me over the past couple years is, how does this thing actually work? How are the decisions in it actually made? And I don't think it's simply people don't... They can make mistakes and they're not punished, but there is a repeating pattern of the type of decisions, that seem to result... And the last presentation you heard with Doug Horne, he spoke [chuckle] about Operation: Northwoods, and you hear something like that, and you can think of other events that we don't know all the circumstances of, or events that we do, and wonder, "What the heck is going on? What are these people thinking?" And I'm going to try to give them their argument in this [chuckle] presentation.

05:02 MS: And one of the things... When you research stuff, you'll dig something up and you'll say, "What in the world is this?" And [chuckle] this has a name to it, it's just, this is like out of "Dr Strangelove" or something. There's something called Project: Control. It was a study done by the Air Force in the time period 1953-1954. I'm gonna use this as a case study, and come back to it at the end of the presentation. But what this was, was at the US Air War College, there was a Colonel Raymond Sleeper, who was taking classes, getting his doctorate. He did a dissertation on air power, and how to win the next war that the Air Force might fight. And he looked back at World War II, World War I, and so forth. And he wanted to make the next war, one that the Air Force would win, for sure.

05:58 MS: And he came up with this idea of Project: Control, and what it was, was to go to the Soviet Union, and at the time, they had a huge disadvantage in nuclear weapons, in regards to the United States. They didn't have any nuclear missiles that could reach the continental US; they only had a handful of bombers that would've had to refuel to make it back. It's dubious if they would've been able to drop anything, so we had a huge advantage in the '50s, and to continue to the mid '60s, really. And his plan was, "Okay, we'll go to the Soviets. We want them to surrender. This is a plan to win, so we will do intensive overflights over the Soviet Union, at first, to intimidate them, and scare them, and then we'll drop a couple bombs. And then we'll issue them an ultimatum, and tell 'em, 'You better surrender now,' and then, if they don't, we'll start dropping atomic bombs, until they do." Sort of a heightened up version [chuckle] of what happened to the Japanese after World War II.

07:05 MS: Now, what was interesting about this study is, it went up to... This is a guy just doing a dissertation, and it goes up to the top levels of the Air Force, and they hear about it, and they get all excited. And they said, "Oh, this is not just a dissertation. We're going to devote huge resources of the US Air War College to make this a workable plan." They even got people in the CIA to work on it, people from outside the Air Force, even civilians. About 100 people have spent a year working on it. And the Chairman of the Joint Chiefs of Staff told them he liked the idea, and he briefed Allen Dulles, John Foster Dulles, the Secretary of Defense, Wilson. And it was mentioned in two National Security Council meetings, you can read them in the "Foreign Relations of the United States" series. They don't use the word Project: Control in the minutes, but in the two latter meetings I have listed right there, it's discussed, "Should we? What should we do?" The two topics are: "What should we do about the Soviet Union?" At this point in time, going forward, it's President Eisenhower with his top national security advisors, and Joint Chiefs of Staff, and so forth, the chairman, and they debate, "Should we just bomb 'em? Should we do a first strike, in the guise of this Project: Control?"

08:33 MS: And interesting enough, John Foster Dulles argues, "No," and I find that interesting, because in the public imagination, he's the one associated with roll back, nuclear retaliation, and so forth. And he says, "No, no, this is a bad idea." And his reasoning is that, he says, "This would be strategically pointless, that we wouldn't really win anything out of this." And then he talks about Eastern Europe, and he says, "We really don't even need to roll back in Eastern Europe," which is amazing, 'cause this is a guy that, in public, is saying this all the time. And his argument is that, "Well, if Eastern Europe... If we roll them back, we're not really gonna get anything, because the Soviets are still gonna be there, and in five, eight years, they'll have nuclear weapons, and so there's really nothing to gain. We'll just keep Western Europe."

09:26 MS: The point of this is, over a month period, inside the Air Force... And then I'm not saying the entire Pentagon was on board of this, or the entire Joint Chiefs of Staff, but inside the Defense Department and Air Force, there was a move to get a program like this trickled up. And it got briefed to the people at the highest levels, and it gets rejected, and Eisenhower, I think... Nothing like this ever comes up again, as far as I know, from looking at these documents. Now, all this sounds wacko, really. [chuckle] It's so crazy, John Foster Dulles rejected it.

[laughter]

10:05 MS: But in reality, what I'm trying to figure out, and I'm gonna show you my answers here, is how do arguments like this make sense to these people? How does something like Operation: Northwoods, or this [chuckle] Project: Control [chuckle] make sense to people in the National

Security State, or at least, some of them? Now, again, that's the book I wrote, and I just wanna emphasize that, to go back to the David Petraeus statement, what I touch about in the book, is really the creation of the American National Security State after World War II, up to the end of the Kennedy Presidency, and it didn't exist before World War II.

11:00 MS: Now, we take it for granted. It's an everyday part of our lives. The question on TV is going to be soon, "Should Donald Trump, our president, send troops to Afghanistan?" It's always about, "Where should we intervene next?" And if you go back, though, to the Petraeus statement, if you just look at the simple logic of it, he seems to suggest that, "If we don't maintain order throughout the world, then everything will collapse." That would imply the intervention or some sort of aggressive foreign policy is necessary. And I think that's the real purpose of the National Security State. Now, there's other purposes: To defend us, let's say, against China. [chuckle] I don't what the odds of them attacking us tomorrow are. Or defending us against terrorism, which has got a slightly higher odds, but on an individual basis, it's not very likely.

12:05 MS: And then you have to wonder, "What are the costs of intervention? Does the interventions themselves create the terrorism that we hear about now, almost every week, somewhere in the world?" I would assert that fighting terrorists or stopping terrorists is an objective of the National Security State, but it's not the primary objective. The primary objective being, basically, to maintain its view of international order, or I would say, world order, but I think that, a result of that, is you end up creating essentially endless wars. The funny thing though, is you study these topics, and if you look at something like CIA regime changes in the 1950s, in Guatemala, and Central America, and Iran, and elsewhere, you can conclude, "Well, what's the purpose of the National Security..." "If you ask yourself, "What's the purpose of the National Security State?" If you look at those operations, you might say, "Well, it's to protect United Fruit companies. It's to protect the oil interest in Iran. It's maybe to protect the clients of the Dulles brothers, who are running the CIA at the time."

13:20 MS: And if you go to the Vietnam War, and you read about Laos, and Cambodia, you can find books about drug smuggling of heroin out of those countries. There is drug smuggling in the United States during the Nicaraguan war, the Contra covert operations. And you might think, "Well, it's all about drug smuggling. People are making money from drugs, and maybe there's a whole deep state involved in doing that." Or is it about, just simply the purpose, really, about the defense industry, and making profits for General Dynamics, and Raytheon, that are just up the road here, and getting them to give campaign contributions to congressmen, to get them more contracts, and so forth? These are, I think, side effects of different historical periods of... If you call them war operations, covert operations, National Security State operations. But I can't find any evidence, though, that any of those things motivates the people I'm looking at, primarily in the Pentagon, that are making decisions or making proposals, that I don't think they care, those people, about any of those things. And I think those are, really, the people at the top of the National Security State, the most important people running it.

14:40 MS: But it's become so much a part of our life. If you look at this conference that we're at now, we're in the Fairfax, Virginia area, [chuckle] and it's ironic, because the CIA headquarters is in Fairfax County, the National Counterterrorism Center's in Fairfax County. Fort Belvoir is in Fairfax county, which is the headquarters for Army Intelligence, which is actually larger than the Central Intelligence Operation. Now, and the history of this county is tied up with the National Security State, and the American economy. In 1950, there were 100,000 people living in this county. In 1955,

65,000 people were employed here: 31,000 of 'em worked for the federal government, 11,000 for the Central Intelligence Agency. In the 1950s, there was a complete boom in the defense industry, and really, the National Security State tied in with an arms race, which was really non-existent with the Soviet Union, which I'll talk about in a minute. But during that boom, the population of this county tripled. And then, in the 1960s, under the Vietnam War, it doubled again. So the health of this county or the economy of it's directly tied into [chuckle] the National Security State, and interventions overseas.

16:11 MS: Now, the funny thing about that, is if you look at average income per person in the United States, rank it by counties, this county is number two in the entire country. Number one is Loudoun County, which is a neighboring county to this one. I guess that's where all the bosses work at.

[laughter]

16:34 MS: But for the rest of the country... And the world for that matter... There's cost to all this. I would say, the history that we're studying, or most of us in here are very interested in, in regards to the Kennedy era, is a direct consequence of the rise of the National Security State. And I would say, to just put it real simple, political instability of the 1960s and '70s, whether you wanna look at political assassinations, or simple riots in the streets, anti-war marches, whatever you wanna look at, it's political instability. And then the debts during that war piled up. In 1967, they got to be so large, that there was a crisis. 1967 was really a crisis year for the National Security State, that really hasn't been studied in that way. But, hopefully, [chuckle] someone will pick up that project. But what happened was, it became clear in the summer of 1967, that they weren't winning the Vietnam War, and at the same time, riots in the ghettos across America were breaking out, and at the same time, gold was running... It was fleeing the vaults of the United States and flowing into Europe. There's a quote where the head of Army Intelligence is writing to a member of the Joint Chiefs of Staff, and saying, "The American Empire is in crisis," because of these three things I just listed. So the people running this knew, this was cracking up.

18:12 MS: Then we had Watergate, the Church Committee Hearings, the House Select Committee on Assassinations, attempts to reform, some successful, probably, some not, but they were there. Then we had the Reagan era, and he ran for president on making America great again, [chuckle] and turning the page on these times of troubles. And for much of the country, I think he did succeed at that. The economy boomed, the stock market boomed, and so forth. But now, here we are today, after 9/11, after more endless wars, a seeming return to some strange fashion of political instability, where we have the media on TV comparing Donald Trump to Richard Nixon, and so forth. And just crazy times... I think no matter what side of the political spectrum you are on, everyone [chuckle] feels like that, on all sides of it... If I can recommend one book about this topic, I'd recommend David Stockman's book, "The Great Deformation," on the topic of the costs of all this.

19:34 MS: Now, I'll go return to statements of some of these National Security officials, on the purposes of the National Security State. This is from the Pentagon Papers, written in 1967, again, that year of crisis. And Robert McNamara commissioned them to go, and look, "What are the reasons we got in this war?" And he got this answer back, from the guy that was in charge of the papers: "70% of the reason was to simply avoid defeat..." And not to help a friend, that wasn't on the list... "10% to help South Vietnamese determination," in other words, to help that government survive. "20% to keep South Vietnam out of the hands of China." Well, what that statement shows,

to me, is that the reasons [chuckle] for continuing the war, were simply to continue the war.

[chuckle]

20:33 MS: Well, but, why? Why is it so necessary to simply continue this? I would say, skipping ahead a little bit, but I would say, that they have a fear... And I'll get to show you the quotes on that in a second... But there's a fear, that if any element of the National Security State were to pull back from a war, or a confrontation, or even pull bases back, that that's a sign of what they call 'provocative weakness.' And that's a statement you can find in National Security speeches and documents. I've got a quote, I'll show you in a second, of Donald Rumsfeld saying this at his retirement speech. And with John F Kennedy, that's essentially what he was doing. He was pulling back from confrontation with the Soviet Union in the last year of his life, in his famous peace speech, and so forth. And from the Vietnam War, and [chuckle] even trying to limit the defense budget. But he explicitly, in his peace speech, said, "We don't want a Pax Americana," which is a complete repudiation of, basically saying, "We're going to maintain order around the world, through the use of nuclear power and our weapons."

21:56 MS: But to think about the Vietnam war, though, for Kennedy himself, he sent advisers there in 1961, and it was primarily in his goal... You could describe it as a nation building project, to help the South Vietnamese defeat an insurgency, and develop their nation. He was skeptical of whether it would succeed, but that was the mission he sent people to do. And the idea was, "You're gonna have about 15,000 advisors over there. And these are trainers, they're gonna stay." By the end of his term, he's put in writing, "They're staying 'til 1965 and that's gonna be their mission." But for the Joint Chiefs of Staff, who really pushed Kennedy to intervene in Vietnam in the first place, they didn't see Vietnam as a nation building project at all. They saw it as, primarily, competition with China, that China was the dominant power in Asia, and they were gonna grow in influence in the Southeast Asia, in their view. It was gonna be between the US and China, "Who's going to be the big bad player in Southeast Asia?" And they were determined it would be us.

23:15 MS: And this shows up first, this type of thinking, actually, in this August 1954 meeting of Dwight Eisenhower, of that there's a discussion about China after Dien Bien Phu fell, which was the French effort there. And they were talking, "What do we do now, with China, and in Vietnam?" And the same proposals came up, one question was, "Oh, should we just bomb 'em?" [chuckle] And Eisenhower says, "No, we're not gonna do that." And they settled on the idea, "We will give them threats. We will tell them, 'If they go into another country, we will bomb 'em,' but we will develop and defend South Vietnam and Southeast Asia." So that was the initial genesis of US direct involvement in South Vietnam, and Eisenhower sends a very small handful of people over there. The CIA, of course, helps Diêm, who's the South Vietnamese Premier, get a foothold in power and maintain it. And the whole effort ends up collapsing by the end of Kennedy's era, at least, Diêm's rule. And it becomes a militarized operation, completely, by the time Lyndon Johnson is in there.

24:31 MS: But the point is, that China was the big thing. And the Joint Chiefs of Staff view wasn't, "We're gonna go develop this country," it was, "Okay, who's gonna rule the world," really, in this part of the world, "The US or China?" That's what Vietnam was about for them. In fact, Robert McNamara, himself, wrote a letter to LBJ, basically saying, "This is the reason we got involved here in the first place, this China issue." And his national security advisor, McGeorge Bundy, in early 1965, wrote a famous memo telling LBJ he needed to intervene in South Vietnam more aggressively and bomb. And he had China also, as the main reason. And he [chuckle] said in this

memo, that he didn't think we had a better than 50% chance of even winning, but it would still be worth doing, to show China how serious we were about using military force.

25:35 MS: If we look at, really, the founding document, I think, of the Cold War, it's NSC-68, written in 1950. It was a lobby effort, really, by the Secretary of State. And Truman was uneasy about even signing it, because what they were aiming to do, and what they did with this document, was justify the huge arms race of the 1950s. And that line in the document, though, at the end, shows me that it's more than about Cold War communism. It's, again, about maintaining order around the world. And in this document, they were looking to contain the Soviet Union, and China, and communism, not looking to do [chuckle] first strikes, or even roll back. But this is the key line, though, justified treating every other country in the so-called Third World, any neutral country, as an enemy, if they're not an ally.

[pause]

26:45 MS: A buzzword used today is 'full spectrum dominance.' You see that in Pentagon papers. There was a Pentagon paper written after 9/11, which was a document similar to NSC-68, like a strategic overview of, "This is what we're doing." It was called, I think, Vision 2020, and it was the first document to use this line, 'full spectrum dominance,' in it. And this is the definition of that, according to the Department of Defense, and the dictionary of... [chuckle] I found an entry, just a couple of weeks ago... But to make a long story short, what they assert, is that they want total control, basically, of any potential battlefield on the planet, including your cell phone, for that matter, and the computer. [chuckle] And now, we have information wars. If there's anything gonna come out of the controversy of Russia, and Trump, and, "What did Trump do?" One side effect of this, is going to be an intensive, focused... By the Pentagon, on information wars, which really hasn't been there at all.

27:55 MS: I was watching a hearing about the CIA report that came out, whether Russia intervening in the election or not, and the whole hearing was mostly about, "We need more money to start doing this ourselves... "

[laughter]

28:13 MS: "And then build a base at NATO, to do this in Central Europe." That was really an interesting thing. Now, another key phrase, which I used earlier, is 'provocative weakness,' which, really, I think, applies to the Kennedy era, and what some members of the Joint Chiefs of Staff had seen as a problem with Kennedy. And that's that any weakness could be interpreted as provocative by any potential enemy, and therefore, risks us, our own security. [chuckle] That's a mindset that can justify a lot of things.

28:50 MS: But what they really meant, if you go to the Kennedy era, is that even though the US had this huge advantage, at the time, and nuclear arsenal, compared to the Soviets... And the Chinese, actually, had nothing, while Kennedy was President... They worried, that if the Soviets didn't believe we would use 'em, then the weapons, actually, were fairly meaningless, and in a certain sense, it's probably true. [chuckle] But what's the answer to that? It's just the way the world is. What are you gonna do, just use these weapons?

29:31 MS: And the problem is, if you take these type of thinking to their logical conclusion, you're

gonna get dangerous situations, in crises such as the Cuban Missile Crisis, the demands among the Joint Chiefs of Staff for Kennedy to bomb Cuba, during the Cuban Missile Crisis proposals, such as the Operation: Northwoods. It reflects a desire to have a more aggressive posture, take advantage of opportunities when you can get 'em. And during the Cuban Missile Crisis, some members of the Joint Chiefs of Staff actually saw Kennedy's blockade, or hesitation to make a decision, in their view, [chuckle] as provocative weakness. And they actually wrote memos to Robert McNamara, lecturing him, "Not to flinch, if war turned out to be necessary," saying that, "They could even win." And here's one such memo, I'm not gonna read the whole thing, but the ending sums it up, "This is no time to run scared." [chuckle] This is during the depths of the Cuban Missile Crisis.

30:43 MS: And a fascinating moment in the Cuban Missile Crisis, which I think provides light on all this... 'Cause what I'm really trying to do, is get into, "What are the motivations of the Joint Chiefs of Staff?" There's a famous confrontation, is when Kennedy is meeting the Joint Chiefs of Staff in person, and he gets into an argument with Curtis LeMay. Doug Horne mentioned that, at the end of his talk. But the next day, after that meeting, there is a very fascinating final meeting. Well, not the end of the crisis, but a decision meeting, in which Kennedy and the members of the group, talking about the Cuban Missile Crisis with him, make the final decision on whether to do a blockade, or whether to do an air strike. They had been arguing about this, and now, they have a final argument. And unfortunately, this is one meeting we don't have tapes of, and we don't have word-by-word transcripts of the meeting, but we have notes... [chuckle] They do decide to do the blockade, obviously, but one of the most fascinating parts of this whole discussion, is this line from the notes, where General Taylor explains why they need to bomb Cuba. And he says, "Namely, if we do not destroy the missiles and the bombs, we will have to change our entire military way of dealing with external threats." What does that mean?

[laughter]

32:20 MS: Well, I'm not trying to say Taylor's crazy. I'm trying to say, at some point, you do kind of have to laugh at these things, 'cause it is dark stuff. You talk about [chuckle] Project: Control, or talk about nuking the Soviet Union, and then here's a really strange line. But I think, if you can understand how someone could think or say something like this, then I think we can understand how the National Security State works, or at least, how the Joint Chiefs of Staff works, and the Pentagon, and what the real purpose is.

33:02 MS: Now, President Eisenhower's fear about what he called the military-industrial complex, in that famous speech... I got it on the cover of my book... His fear wasn't that the next president would be hemmed in by the National Security State, so to speak, or that we're gonna have the Vietnam War, or anything like that. What he primarily was scared of, was our form of government actually changing completely, or our way of life. And in a series of a couple National Security Council meetings, his final ones, he expressed what this fear was, that the spending that the military was gonna demand, was gonna overwhelm the government budget, and just completely bust it. And he thought the result of that would be inflation, that would get out of control. And I've always thought to myself, over the years, "Well, that we have a giant budget deficit, and maybe everything's just gonna go broke, and that'll be how our empire ends. We just go broke." I think that seems logical.

34:17 MS: But that's not what Eisenhower thought would happen. He thought what would happen was, [chuckle] the inflation would get outta control, and it would never end, and that would mean

the end of private enterprise, as we know it, and everything would just be consumed by this. It's hard to imagine this kind of scenario. I can't really imagine it. And it obviously didn't happen. But then, again, it did happen, because in 1972, the United States went off the gold standard. Before, when we were on the gold standard, there was an actual limit to the size of the budgets we can make. And as I mentioned earlier, around 1967, the flow of gold started to go out of the United States into Europe, because these deficits got bigger. And no one really knew what was gonna happen. You can go back to the 1970s, and find books predicting this would mean the complete collapse of Western civilization, basically, the end of the gold standard.

35:25 MS: Luckily, Nixon took us off, and one result was, there was inflation in the 1970s, not as bad as Eisenhower feared, but it did happen. Then the situation seems to have settled down, eventually, with Ronald Reagan and Paul Volcker, with lots of costs, raising interest rates to stop inflation, wiped out farmers across the whole country, put lots of people out of work. So there is victims [chuckle] to these economic policies, that were necessary, as a result of the whole mess of the Vietnam war, financially, and the fears Eisenhower actually had, coming to root, in a way you don't really think of, unless you read those notes, and hear him talk about how he's [chuckle] worried about government spending.

36:12 MS: Now, I'd like to recommend one book to read about the subject of bureaucracy, because in the end, that's what the National Security State is. It's a bureaucratic institution, and that's the best way, I think, to understand it. And a bureaucracy operates differently than a private enterprise does. And that sort of links back to the... Nicholas Taleb saying that he had, "That these people had no skin in the game." In a way, they have no financial loss at stake, if they make a decision to send people to war. But I think there's more to it than that, and it has to do with the way decisions inside of a bureaucracy are made, which isn't an easy thing to understand, even if you are in one. [chuckle] But I think that's how General Taylor can speak about, "We've gotta use these weapons, or bomb, or else the weapons are no good, and then I have no purpose anymore." Basically, is what he's saying, "What are we gonna do?" [chuckle]

37:26 MS: But the Mises book doesn't... It's a short book. It's pretty easy to read and he's not saying, "All bureaucracies are bad." If I recall right, he likes the police force and the postal service. But either way, if you just look at the postal service, or think of the ponytail express, that's a small bureaucracy. It's not that big. And they have a very simple, defined mission: That's just deliver the mail, and that's it, and go home at night, and take our paycheck. With the National Security State, they don't have a simple mission. Their mission expands. It expands and expands, with two purposes: To keep the United States safe, or us safe, but also to maintain order all over the world, which, I think, is their primary mission.

38:27 MS: To them, that makes perfect sense and is completely, in their mind, necessary, but I wonder if it really is? In a way a bureaucracy works, of the size of the Pentagon, most of the decisions are made at a lower level, by people that are trying to do what they think their superiors want them to do: Create proposals that they think will get passed or accepted, not make proposals that will be rejected. And they can take on, in their own mind, the objectives of the organization. In any organization or bureaucracy, such as the National Security State, it comes into being with the purpose, a good purpose, at first. It came into being to win World War II, essentially... By the time we're bombed at Pearl Harbor, it's hard to argue against that. But any bureaucratic organization this big, over time, it'll come to have it's own purposes, that go beyond the original purpose.

39:49 MS: And that's one of the key insights of this book here, and also this book. Probably the best... Forget about reading my book or the other Mises book. Read this one, if you're gonna read one book: "Militarism USA," it's written by James Donovan, foreword by David Shoup. David Shoup was a Commander of the Marine Corps, under John F Kennedy. He was on the Joint Chiefs of Staff. James Donovan was one of his assistants. What this book does, is essentially make [chuckle] all the arguments I just made today, in a more eloquent manner, and by someone who was there, at the highest levels. He won the Medal of Honor. You can't really argue with his life experience.

40:36 MS: Now, one thing he shares in that book, though, is he breaks down how the decisions on the Joint Chiefs of Staff are made, and they're made, the way he depicts it, on the planning staff, which Horne mentioned. But the planning staff consists of about 400 individuals, from all branches of the service, mostly colonels. Their whole job is to come together and create war plans, to figure out, "How are we gonna fight this war or that war?" And one thing they have to do, is incorporate every branch of the service into the plans, 'cause they have to please everybody that they're working for. They're coming from their own organizations, and they gotta divide up the budgets to make sure everyone's got a role, and so forth. I'll go back to that Project: Control, as a case study of bureaucracy. Here's this fella, writes a dissertation, it goes up to the highest levels of the Air Force, and it's kooky. Nowadays, we think of it as silly, and it was rejected by the White House, and then Eisenhower's advisors. But why, why, why, why, now, did this go up?

41:55 MS: Well, I was reading about this in the Air Force history of this project. And after the French were defeated in South Vietnam, the Air Force had a problem, which I've read this for the first time, and this is amazing. When Eisenhower's President, he actually gave the Air Force more money, than he did the other branches of service, and with a New Look policy. But what it said was, "You're gonna use these weapons, as a massive retaliation, in case they do something to us." And that actually left the Air Force out of plans on what to do in the next war, in Vietnam, or elsewhere, with atomic weapons, or anything else. So, "How are we gonna win a guerilla war in South Vietnam, or Laos, or any of these other countries? What's the role of air power?" And this guy's dissertation solved that. The next war will be not World War II and a half, not a guerilla war. It'll be World War III. And they loved it, because of that reason, at the time. [chuckle] Thanks for being here and being a part of this conference.

[applause]

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