

The Pentagon's Dilemma under Privatization

by Carl Osgood

In the accompanying article, Lyndon LaRouche defines the engineering and medical capabilities of properly organized military service institutions as an indispensable component of a broader nation-building strategy, a strategy premised on the cognitive development of the labor force and the development of basic economic infrastructure. However, since the mid-1960s, the period of American history defined by the rock-drug-sex counter-cultural paradigm shift, the U.S. military services have been moving in the opposite direction, a policy-shift that has been accelerated by the end of the Cold War and the apparent triumph of Thatcherism, i.e., policies of rabid privatization. This has been especially true with regard to privatization of what once were exclusively military functions and the expanded use of civilian contractors to support troops in the field.

Recent articles in military professional journals provide a glimpse as to how this shift came about. Two inflection points stand out: the tenure of Robert S. McNamara as Secretary of Defense (1961-67), and the military draw-down that commenced in 1991, before many of the forces deployed in Desert Storm had even begun to return home.

Col. R. Michael Deavel—a rabid Thatcherite concerned with changing the military's culture so that privatization becomes acceptable—in the Summer 1998 issue of the *Air Force Journal of Logistics*, writes that McNamara was relentless in his efforts to impose private-sector cost-accounting methods on the military, including his infamous use of systems analysis in Vietnam to measure success in that war (which earned him the sobriquet "Body Count Bob"). However much military officers might have disdained McNamara and his "whiz kids," his methodology is what survived. "The McNamara Juggernaut," Deavel writes, "was never really stopped as much as it was first tamed and then exploited by the military services to enhance their own organizational and procurement practices. By the late 1960s, all the services had sent military officers to learn systems analysis as it was used in the corporate world, and then used this institutionally loyal talent to establish their own versions of DOD's Office of Systems Analysis," set up by McNamara in 1961.

The military draw-down that began in 1990-91 accelerated the trends begun by McNamara in the 1960s. One major component of the draw-down, the Base Closure and Realignment Commission, was the result of legislation crafted by two Republicans in the U.S. House of Representatives, current

Majority Leader Dick Army (Tex.) and Budget Committee Chairman John Kasich (Ohio); it was signed into law by President George Bush. The bill massively cut military infrastructure, and reduced active-duty personnel by some 700,000 and DOD civilians by 300,000. These cuts occurred while there was a fivefold increase in operational requirements.

The reduction in military and civilian personnel, combined with intense financial pressures, has resulted in a huge increase in the use of contractors, for everything from more traditional support and provision functions, to the maintenance of deployed ground and air combat systems.

Col. Steven J. Zamparelli, in the Fall 1999 issue, writes, "As cuts to military forces and budgets continue, the skills being reduced or eliminated are becoming more related to operations, as opposed to their historical base support focus." This trend has resulted in more and more core support functions, such as depot maintenance and military communications, being contracted out to a greater degree than ever before. Perhaps even more ominous, the Air Force is considering contracting out all software maintenance on the B-2 bomber, and all maintenance on the F-117 fighter. If such proposals are implemented, he writes, "The services will eventually be devoid of the organic capability to support these systems and missions. In time of war, they will be completely dependent on contractors to provide whatever support is needed."

Conservative Revolution Ideology

What is behind this drive to privatize the military, is the Conservative Revolution ideology that demands that government should never compete with the private sector, including for maintenance of its equipment and systems? When the Base Closure and Realignment Commission targetted the Air Force's San Antonio Air Logistics Center, which employed more than 10,000 highly skilled civilian workers, the Republican ideologues said that the center, and others like it, were unfairly competing with the private sector.

The military services are only obliquely responding to this situation, however. Zamparelli writes, "Civilian leaders have a mandate to build a smaller, more efficient military. Therefore, you will not see a recommendation for the Department of Defense to fight force structure cuts or downsizing efforts." In fact, just the opposite has been occurring. Clinton's Secretary of Defense William Cohen, also a Republican, unsuccessfully lobbied Congress during 1998 and 1999 for another round of base closures, saying that infrastructure reduction is necessary to fund future weapons development programs.

Instead, the services have been trying to deal with issues raised by the increasing dependence on contractor civilians, such as the fact that civilians are bound only by their contracts, as opposed to an oath of service, and that, under certain conditions, such as bullets flying around, the contracts may become unenforceable, with the consequent negative impact on mission accomplishment.