Industrial Complex Penetrating Into Pentagon

A lobbying group so powerful and influential it has almost become a fourth branch of government has penetrated deeper into the Pentagon, arousing old fears expressed by President Eisenhower in 1961.

Eisenhower warned against "unwarranted influence" by what he described as the "military-industrial complex." This is a complex of associations representing huge industrial concerns receiving contracts from the military. Although not registered as lobbyists, these associations exert a great deal of pressure upon Congress, the Pentagon, and the military services.

In the seven years he ran the Pentagon, Defense Secretary Robert S. McNamara nearly always was able to block such undue influence. In a broad departure from past Pentagon practice, he, rather than the military, made the decisions on the weapons the services could buy and how much could be spent for them.

Shortly before his retirement from office, McNamara said he had lost only two per cent of his battles with the complex, and "in those instances we failed to present our case properly."

Thus far, the relationship of McNamara's successor, Clark M. Clifford, to the complex is not clear. Congressional Quarterly was told by authoritative Pentagon and industry sources that Clifford so far has been "extremely preoccupied with Vietnam policy matters," where he is thought to be playing "an influential role in the de-escalation of the bombing and holding the line on ground force commitments." As a consequence, these sources said, he is spending little time on decisions relating to the procurement of costly weapon systems--the area where they say McNamara was "at his toughest."

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IN RECENT weeks, these observers told CQ, Clifford has been delegating decisions on weapons procurement to his deputy, Paul H. Nitze, a former Secretary of the Navy. Thus far, the sources say, Nitze has shown a reluctance to grapple with the complex, particularly on decisions that involve his former service.

This is best illustrated, the Pentagon sources said, by Nitze's compromise with the Navy's anti - F - 111B faction, which sought a Navy-developed substitute aircraft thought to be more costly and only slightly better in performance than the F-111B. After Nitze's compromise, which envisioned a slow phaseout of the F-111B program, the Senate moved to kill the program immediately, and the House is expected to do the same.

The sources said Nitze also had made decisions favoring the Navy on a "wide range of other programs that should have been dropped entirely or at least cut back."

A source close to Nitze, however, denied that Clifford had been delegating as much authority as had been contended. He said both Clifford and Nitze had been "just as tough on the services as McNamara had."

Because of the renewed relevance of the "complex" issue, Congressional Quarterly recently released an exclusive study examining the role of Congress, the military services, defense contractors and the service associations in defense procurement decisions. Following are the highlights of the study:

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ROLE OF CONGRESS -- Charged with the responsibility of appropriating more than $75 billion each year for defense--and in the process deciding how to meet the conflicting claims of competing services for a larger share of the pie--Congress is up to its ears in the military-industrial issue.

Collectively, the record shows, members of Congress strive to sift fact from fancy and to point up and root out instances of waste and duplication in the defense program. The record also shows that, individually, the members are zealous in representing the interests of their districts and states. Here are some examples:

Bonanzas for Key Members -- Rep. Jamie L. Whitten, D-Miss., a member of the House Defense Appropriations Subcommittee, said in 1960 that "you can look at some of our key people in the key places in Congress and go see how many military establishments are in their districts."

One oft - cited example is the state of Georgia, which has the chairman of the Senate Armed Services Committee and Defense Appropriations Subcommittee, Sen. Richard B. Russell (D), and also had the chairman of the House Armed Services Committee until the 1965 retirement of Rep. Carl M. Vinson (D-1914-1965). To the proposal that a new Air Force installation be placed in Georgia, one general is credited with replying that "one more base would sink the state."

The district of present House Armed Services Committee Chairman L. Mendel Rivers (D-S.C.) has been described as a "microcosm of the military-industrial complex." The district, which consists of Charleston and several neighboring counties, includes a naval station and shipyard, an air base, an army depot, a missile plant and a mine warfare center. Science Magazine in its March 15, 1968, issue, quoted Rivers as saying that he had brought in "90 per cent" of the installations.

At the March 2, 1968, rollout ceremony for the giant C-5A cargo aircraft at the Lockheed Aircraft plant at Marietta, Ga., President Johnson warmly complimented the Georgia Congressional delegation for helping to land the contract for their state. "I would have you good folks of Georgia know that there are a lot of Marietta, Georgias, scattered throughout our 50 states," the President said. "...All of them would like to have the pride that comes from this production... But all of them don't have the Georgia delegation." Johnson specifically cited the influence of the Armed Services Committee chairmen, Sen. Russell and former Rep. Vinson.

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FAIR SHARE -- Rep. Ken Hechler, D-W. Va., documenting his case with facts and figures, told the House on June 1, 1959: "I am firmly against the kind of logrolling which would subject our defense program to narrowly sectional or selfish pulling and hauling. But I am getting pretty hot under the collar about the way my state of West Virginia is shortchanged in Army, Navy and Air Force installations...I am going to stand up on my hind legs and roar until West Virginia gets the fair treatment she deserves."

On Oct. 8, 1963, Hechler noted with satisfaction that West Virginia's share of military contracts had increased from $36 million in fiscal 1960 to $162 million in fiscal 1963, lifting the state from 46th to 26th place in the nation. (By fiscal 1967, the state had dropped to 34th place.)

Among the greatest pressures of the complex are those that the military services place on the Defense Secretary for an ever-increasing military budget. For fiscal 1969, for example, the services reportedly sought more than $100 billion, which McNamara eventually pared by $20 billion or more.

Locked in tough competition for a share of the resulting budget, the services toil constantly to "sell" their particular doctrines, programs and requirements to the public, industry and Congress. Typical examples: television programs on the Navy's Polaris and "The New Marine," an Army-Industry Liaison Seminar in New Orleans, an Air Force tour of Strategic Air Command headquarters in Omaha for 35 new members of Congress.

The bulk of the services' lobbying effort is conducted by the "legislative liaison" offices of the Defense Department and the three uniformed services, which in fiscal 1967 were appropriated a total of $3,810,458. (This included salaries for 197 civilian and 141 military employes and expenses for handling Congressional inquiries as well as pushing the Pentagon's legislative program.)

The figure dwarfed the $277,524 in lobby expenses reported by the United Federation of Postal Clerks (AFL-CIO), the biggest spender in calendar 1967 among private groups required to report their lobby spending under the Federal Regulation of Lobbying Act.

A former government official with experience in lobbying for the Pentagon's program told CQ that Pentagon lobbyists "have Congress organized like a Marine Corps landing." He said the legislative liaison personnel had the lists of members broken up alphabetically and that when their pressures effort failed or the issue was "extremely crucial," top Pentagon officials or a general or admiral moved in. Currently employed as a lobbyist for private industry, the one-time official told CQ he had "50 times the influence when I was lobbying for the government that I have now."

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FOR MANY of the major defense contractors, their only client of any importance is the U.S. Government, and the bulk of their business is obtained through negotiated contracts with one or more of the armed services. An analysis of the 38 major defense contractors for the period 1961-67 showed there were 15 companies that derived more than half of their business from defense contractors.

Defense contracting is a highly competitive field in which a considerable premium is placed on "good personal relations" with the client. Even those companies doing business exclusively with one service will be found supporting all three service sounding-boards: the Air Force Association, Navy League and Association of the U.S. Army.

Entertainment practices vary widely throughout the industry, but no one denies that personal friendships play an important part in shaping working relationships between client and vendor. Two episodes serve to illustrate the point:

In one "competition" for a new weapon system, Navy technicians decided to throw out one proposal on grounds it was based on faulty data. Warned by a Navy friend of the impending decision, the contractor promptly went to the admiral in charge and persuaded him to order a 30-day delay to permit all bidders to submit additional data. (The well-informed contractor failed to win in the end, however.)

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AN AIR FORCE "competition" for a new missile ended with a top-level decision to award the contract to Company A. Learning of this, the president of Company B went straight to the secretary and persuaded him to order a complete review of the decision. Result: the contract went to Company B.

A 1959 investigation conducted by the House Armed Services special investigations subcommittee, headed by Rep. F. Edward Herbert, D-La., found that more than 1,400 retired military officers in the rank of major or higher--including 261 of general or flag rank--were employed by defense contractors. CQ attempted to obtain more recent employment figures from the Pentagon but was told they were not available to the public.

Despite a 1966 executive order prohibiting a retired officer from "selling" or negotiating contracts with his former service, one industry source told CQ that "at least 90 per cent of the retired officers hired for top-level positions by the defense contractors ignore that regulation."

Backing up the efforts of both the services and the defense contractors are the military and industrial associations -- groups of active and retired military personnel, industry officials and other persons interested in pushing the program of a particular military service or defense industry.

All headquartered in Washington, the groups are: The Association of the U.S. Army, with 104,000 members; the Navy League, with 41,000 members; the Air Force Association, with 90,000 members; the Aerospace Industries Association, with 59 member companies; the National Security Industrial Association with 410 member companies; and the American Ordnance Association, whose membership figure was not available.

According to testimony from these groups at the 1959 Herbert investigation, none of the groups had anything to do with procurement; all were ignorant of any "pressure" in behalf of one or another manufacturer.

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THE THREE SERVICE groups acknowledged their interest in building up grassroots support for their respective branches of the armed forces. They also maintained that they were fully independent of the services they represented, although the testimony showed that, for the most part, Army, Navy and Air Force doctrines and weapon systems received enthusiastic support in the publications of the respective service organizations.

All of the groups insisted that their primary function was to inform and educate. Only the Aerospace Industries Association had registered under the lobby law, but its spokesman testified that "we believe we do not operate according to the classic definition of a lobbyist. ... We don't even dream of buying any influence of any kind."

Asked whether the best interests of the industry would be served by an increase or decrease in defense spending, the Association witness said: "From a selfish point of view, the best interest of the industry would be served by an increase of course, but from a patriotic and national point of view, it might not be."

Among the persons interviewed by CQ, those who dismissed the concept of a "military-industrial complex" rested their case squarely on the "national interest"--the need for new armaments to keep abreast of the Soviet Union and other potential foes.

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MANY of these sources believed that McNamara's attempts to pare the defense budget amounted to risky gambling with national security. This view was epitomized in the House Armed Services Committee's report on the fiscal 1967 defense procurement bill, which said McNamara's "almost obsessional dedication to cost effectiveness raises the specter of a decisionmaker who ...knows the price of everything and the value of nothing."