

Old Brass Never Die

They Get Rich!

anon.

1970

Old generals never die, but what is worse they don't fade away either! Where do old generals go? Into the Elysian Fields of "Defense" Contracting.

2,100 retired high ranking officers are holding executive positions in the top 100 war contracting firms. These 100 firms receive 68% of the Pentagon's business. The ten leading "defense" firms employ 1,065 retired officers. These ten firms ripped off 25% of the war trade.

Almost 90% of the Pentagon's contracts and 98% of NASA's are negotiated without competitive bidding. Cost increases above the original estimates on major weapons systems usually run 100 to 200% higher than originally projected.

How does this happen? Take the example of the five former Air Force officers who blocked efforts to cut costs on the Minuteman missile system. Then they accepted executive jobs with the system's manufacturer, Autonetics Division, or with the parent company, North American Rockwell. Senator Proxmire wrote to the Attorney General urging him to take immediate action. Assistant Attorney General Wilson replied that the Justice Department had found no indication of a violation of the conflict of interest statutes.

Lockheed harbors 210 retired officers, more brass than any of the other defense giants. These include five former Air Force Generals and (because it has a major contract to provide the Navy with Polaris and Poseidon missiles) twelve former Admirals and three former Marine Generals. 88% of Lockheed's business comes from the Pentagon.

Assistant Secretary of Defense for Procurement, Thomas D. Morris retired from the Pentagon in 1968 and went directly to the vice-presidency of Litton Industries. In the last year of Morris's power as procurement boss, Litton's Pentagon contracts jumped from \$180 million in 1967 to \$466 million in 1968—a 250% increase. In 1967 Litton was 36 on the list of top 100 defense contractors; in 1968 it became fourteenth. Senator Proxmire said, "So Morris' vice presidency can be viewed both as a payoff for the huge Pentagon business shifted in 1968 and as assurance of immense future influence for Litton." Again the Justice Department has not initiated any conflict of interest proceedings.

General Dynamics employs 113 ex-officers and has \$2.2 billion in defense contracts; Boeing Aircraft Corp. with 169 ex-officers had \$762 million; McDonnell Douglas Corp., 144, \$1.1 billion; North American Rockwell Corp., 104, \$669 million; General Electric Corp., 89, \$1.4 billion; Ling-Temco-Vought Inc., 69, \$758 million; Westinghouse Electric Corp., 59, \$251 million; TRW Inc., 56, \$127 million; and Hughes Aircraft Co., 55, \$286 million.

The nine major firms producing components for the ABM system harbor 465 retired officers. These include, besides the above mentioned (McDonnell Douglas, General Electric, and Hughes Aircraft) Martin Marietta, 40; Raytheon, 37; Sperry Rand 36; RCA 35; AVCO, 23; and American Telephone and Telegraph. 9.

Now let's trace the careers of some specific officers. Major General Nelson M. Lynde Jr. was Commanding General of the Army Weapons Command from 1962 to 1964. He was responsible for the development, procurement, and field service support of Army weapons and negotiated the initial contract for the M-16 rifle. Five months after retiring from the Army he went to work for Colt Industries, the sole supplier of the M-16. The M-16 developed so many mechanical and financial problems that it was investigated by Congress. It was called a "worthless piece of

junk” by the G.I.s who first used it in Nam and the jam-ups and other malfunctions in combat endangered lives. But the congressional sub-committee investigating the M-16 somehow forgot to pass judgment on whether or not General Lynde’s employment with Colt was a conflict of interest. In other words the congressional committee was too scared to get down to the real nitty gritty.

There are at least 2,000 more brass biographies that could be told, all with the same cynical plot—“From Military Academy to General to Defense Contracting In Three Easy Steps or, How I Learned to Take Orders and Make a Killing in Death.”

Sidebar

“I believe that if we had and would keep our dirty, bloody, dollar-crooked fingers out of the business of these nations so full of depressed exploited people, they will arrive at a solution on their own. That they design and want. That they fight and work for. And if unfortunately their revolution must be of the violent type because the ‘haves’ refuse to share with the ‘have-nots by any peaceful method, at least what they get will be their own and not the American type, which they don’t want and above all don’t want crammed down their throats by Americans.

—General David M. Shoup, Retired Commandant, U.S. Marine Corps.

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