

## ABSTRACT

Title of Thesis: LOCAL RESISTANCE AND RECOVERY IN  
THE NEOLIBERAL ERA: A CASE STUDY  
OF THE 1993 NAVAL BASE CLOSURE IN  
CHARLESTON, SC

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The Base Realignment and Closure (BRAC) Commission transformed military base communities throughout the United States from 1988-2005. This work offers an account of military base closure from the local level, tracing the origins, resistance, impacts, and recovery in Charleston, South Carolina. A neoliberal turn in domestic politics resulted in the closure of hundreds of military bases, like the Charleston Naval Shipyard. Despite significant local resistance, the BRAC Commission shuttered the shipyard, ending decades of military investment and thousands of stable government jobs in the Charleston region. Yet, Charleston leaders took important steps in the post-closure years to maintain the traditions of military Keynesianism in Charleston, leading to a very successful economic recovery from the naval base closure crisis. This case study seeks to complicate existing narratives of U.S. military industry resilience, post-Cold War base closure, and military privatization benefits through a local history of a transformative period in Charleston.



LOCAL RESISTANCE AND RECOVERY IN THE NEOLIBERAL ERA: A CASE  
STUDY OF THE 1993 NAVAL BASE CLOSURE IN CHARLESTON, SC

by

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## Dedication

This work is dedicated to the those who serve in the U.S. military supporting establishment, like the hard-working citizens of the Charleston Naval Shipyard.

## Acknowledgements

I am deeply indebted to those who took the time to talk with me and offer their experiences and insights including, Danny Rowland, Rick Brown, Elias Deeb, Steve Dykes, Anthony Grassia, Ryan Johnson, Robert Ryan, Sean McDonnell, Loy Stewart Jr., and Lonnie Cowart. Special thanks to Don Campagna for his assistance in connecting me with resources and research leads in the Charleston area. I am extremely appreciative of the mentorship and guidance of my instructors at the University of Maryland including Dr. David Sicilia, Dr. Colleen Woods, and especially my advisor, Dr. Patrick Chung.

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## Introduction

“A DIRECT HIT: Charleston’s naval facilities on closure list,” read the front page of Charleston, South Carolina’s most widely read newspaper, *The Post and Courier* on March 13, 1993. The story went on to explain the economic impact of the shutdown of the state’s largest employer on the surrounding community. An estimated 71,000 jobs and \$3.2 billion would be lost in the Charleston tri-county regional economy per year.<sup>1</sup> There were protests by Charleston residents. Hundreds of local elementary and middle school students wrote to the Secretary of Defense pleading to keep the base open. Powerful South Carolina Senators, Strom Thurman and Fritz Hollings, mounted determined political resistance to the Charleston base closure in Washington. In a Charleston hearing, local Charleston leaders provided hundreds of pages of reports and economic estimates to the Base Realignment and Closure (BRAC) Commission to plead their case. These reports touted the efficiency of their shipyard and warned of the devastating consequences of the base closure to the Charleston economy and community. Despite these efforts, the Charleston Navy Yard still closed three years later in 1996. With the huge base officially shuttered, the city was left with a massive hole at the center of its community to patch up. But where to start? The Executive Director of the Charleston Naval Base Redevelopment Authority for more than twenty years, Robert Ryan, was deeply troubled by this dilemma. “If you have 1500 acres of land that has everything a town or city would

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<sup>1</sup> Terry Joyce, “A DIRECT HIT: Charleston’s naval facilities on closure list,” *Post and Courier* (Charleston, SC), March 13, 1993, accessed at the Library of Congress.

have, and you close the door and you leave everything behind like a neutron bomb went off, what do you do with it?”<sup>2</sup>

The Charleston base closure was part of a broader federal government effort to reduce excess military capacity after the Reagan administration’s 1980s military build-up, increasingly large federal budget deficits, and the sudden end of the Cold War. These manifested the Base Realignment and Closure (BRAC) Commission in 1988, an organization of appointees created by Congress to close military bases efficiently and apolitically. BRAC occurred in five rounds from 1988-2005, closing 350 American military bases in the U.S. and abroad.<sup>3</sup> Although some of the base closures were small outposts with little impact on their surrounding communities, some were also enormous, city-like swaths of land, whose closures amounted to thousands of jobs lost and a huge hit to the local communities which were often built around the bases. Military shipyard and maintenance depot closures often made the biggest impact on the surrounding regions because of the large number of civilians employed to do this high-paying technical work aboard these bases. The prevailing historical narrative is that BRAC was part of the post-Cold War “peace dividend,” the idea that federal savings accrued by military downsizing after the fall of the Soviet Union would result in a shift of these dollars to benefit the American people.<sup>4</sup>

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<sup>2</sup> Robert Ryan and Sean McDonnell, Interview by Clay Verkouw, August 16, 2023.

<sup>3</sup> Michael Touchton and Amanda Ashley, *Salvaging Community: How American Cities Rebuild Closed Military Bases*. Ithaca, (New York: Cornell University Press, 2019), 1.

<sup>4</sup> The post-Cold War peace dividend is still a widely used phrase and widely studied in the economics and political science fields. Although U.S. military budgets did decrease throughout the 1990s, it is more contested whether these military savings actually were to the benefit of the American people. This depends on whether one considers a balanced federal budget a peace dividend in and of itself or if a peace dividend requires a corresponding increase in spending on domestic programs as well or increased economic growth. I will not engage with the peace dividend debate explicitly here, for more reading on the peace dividend debate, see Alex Mintz and Chi Huang, “Defense Expenditures, Economic Growth, and the Peace Dividend,” *American Political Science Review*, 1990; 84(4):1283-

In the following pages, I seek to answer questions to shed light on BRAC's legacy nationally and in Charleston specifically. First, what political forces in Washington brought base closure to hundreds of communities like Charleston throughout the 1990s? Second, how did the Charleston community react to and resist the closure of their naval base and what does it tell us about local expectations of the role of government in their economy and welfare within the larger economic debates of the 1990s? Third, what were the local post-closure redevelopment solutions and what does Charleston's redevelopment story reveal about recovery from localized economic crises more generally? Lastly, how does the Charleston story reinforce or complicate existing historical narratives and understandings of U.S. economic policy, military budgets, and solutions to economic crises?

My historical interventions in this study are threefold. First, I hope to revise the existing narrative that BRAC was simply an aftershock of the end of the Cold War by recentring the domestic economic policy battles that surrounded the initiative. Next, I aim to provide a local, bottom-up approach to the history of BRAC which is currently dominated by a handful of top-down, national perspectives of the policy. Third, I seek to fit the BRAC story into the historiography of U.S. military privatization which has been established in studies of post-WWII economics and the military welfare state but has not yet included military base closure.

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1293. doi:10.2307/1963264, Hugh Rockoff, "The Peace Dividend in Historical Perspective," *The American Economic Review*, vol. 88, no. 2, 1998, pp. 46–50, *JSTOR*, <http://www.jstor.org/stable/116890>, Rebecca Thorpe, *The American Warfare State: The Domestic Politics of Military Spending*. (Chicago: University of Chicago Press, 2014), and Derek Braddon, *Exploding the Myth: The Peace Dividend, Regions and Market Adjustment*. (Routledge, 2014).

To date, there are very few scholars who have focused historical research on base closures despite their widespread economic and social impacts across hundreds of American communities. David Sorenson's 1998 book *Shutting Down the Cold War* is still the primary historical analysis of BRAC. As his title indicates, Sorenson paints BRAC as "a microcosm of the larger impact of defense reductions after the Cold War."<sup>5</sup> Sorenson's book took an early swing at analysis of the first four rounds of BRAC (1988, 1991, 1993, and 1995) and the lessons learned between the four iterations. His book is largely descriptive and not very argument-forward. That said, Sorenson argues that "there is no question that military requirements drive much of the decision making on base construction, repair and ultimately closure" yet acknowledges that politics and economics did play a role in BRAC, devoting his second chapter to describing the bureaucratic politics that stalled base closure and led to congressional pushback on BRAC decisions.<sup>6</sup> Overall, Sorenson was very supportive of base closure as he concludes that the process was largely non-partisan and that "the compromises that made up the base-closure process from 1991 to 1995 were a genuine statement of the success of American democracy."<sup>7</sup> His assumptions that BRAC was caused by the end of the Cold War, driven by military requirements, and was successful and beneficial to the nation, gloss over important local, social, economic, and political questions and perspectives. Thus, the BRAC historiography has serious gaps, and I will complicate this simplistic top-down, post-Cold War

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<sup>5</sup> David S Sorenson, *Shutting Down the Cold War: The Politics of Military Base Closure*, (New York: St. Martin's Press, 1998), 1.

<sup>6</sup> David Sorenson, *Shutting Down the Cold War*, 42.

<sup>7</sup> David Sorenson, *Shutting Down the Cold War*, 243.

military drawdown narrative which assumes BRAC was a necessary, non-partisan, and successful policy decision.

Although the end of the Cold War added fuel to the BRAC fire, the primary spark and enduring flames of the BRAC lay in dominant political values of the 1990s, including downsizing and privatizing government bureaucracy, decreasing government welfare programs, and preventing government interference in the “free market.” This thesis will argue that BRAC at its core was a cost-saving measure created in an era of neoliberal deficit hawking and government contraction. It was a microcosm of the neoliberal “Washington Consensus,” which held that government should minimize interference in the free market and privatize as many federal programs as possible, including the military. These neoliberal policies valued government efficiency and austerity above the welfare of American citizens and communities. BRAC’s cold calculus closed 350 military bases and affected the lives of millions of Americans as the many of the bases served as vital economic bloodlines for the citizens in their regions.<sup>8</sup>

Second, my work seeks to provide a bottom-up account of BRAC. Currently, the historiography of BRAC views it from a top-down perspective, blurring local stories of resistance, individual agency, and changing expectations. I believe the real significance of BRAC lays within the military base communities where BRAC sparked genuine economic and social crisis. How the people of Charleston talked about, pushed back, rationalized, and eventually dealt with the consequences of base closure was as a microcosm of the federal debates about changing economic policies

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<sup>8</sup> Michael Touchton and Amanda Ashley, *Salvaging Community*, 1.

and serves as a valuable window into the nature of the neoliberal era as their safety net was wrenched out from under them. With a local perspective, I seek to show how Charleston's base closure served as a battleground for the future role of the government in the economy and how the policies associated with Keynesianism and neoliberalism played out in drastic changes in people's experiences and the physical environment in Charleston, South Carolina.

There is an abundance of historical literature investigating the nature of the military's role in the American economy, with lots of focus on persistently high military budgets in the U.S. since World War II and on the outsized influence of the military-industrial complex in American politics in recent decades. Like the literature on BRAC, most economic histories of the U.S. military provide top-down perspectives and pay relatively little attention to the localized components of the "military industrial complex." Critical accounts of the military's perverse impacts on the American economy began in the Vietnam era and are exemplified by Seymour Melman's 1974 monograph, *The Permanent War Economy: American Capitalism in Decline*. Melman marked himself an opponent of the perceived post-WWII militarization of society which he posited began with the WWII war economy and since has been a "parasite" in the form of military state capitalism.<sup>9</sup> Similar critiques of persistently high military spending in the U.S. exploded again in the last 15 years as public discontent over the wars in Iraq and Afghanistan reached a culminating point.<sup>10</sup> All of these recent works argue that the consistently high defense spending

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<sup>9</sup> Seymour Melman, *The Permanent War Economy: American Capitalism in Decline*, (New York: Simon and Schuster, 1974), 12.

<sup>10</sup> For examples see Paul Koistinen, *State of War: The Political Economy of American Warfare, 1945-2011*, (Lawrence, Kan.: University Press of Kansas, 2012), James Ledbetter, *Unwarranted Influence:*

since the end of WWII has been detrimental to American society, whether in the form of foreign policy collusion, excessive Pentagon waste, economic perversion, or unnecessary statist tendencies of the warfare state. Although they differ in their nuanced arguments, they represent a strong base of recent literature which is critical of the resilience of the military industrial complex and suggest to varying degrees that there is a group of military, political, and business elites who collude to keep military budgets stable.

I look to complicate these macro-narratives of a supposed American warfare state perpetuated by elites by showing a story of the local widespread popularity of military-industrial presence in Charleston. Charleston's battle to retain their naval facilities shows the local underside of the military industrial complex that is so often criticized. It shows that perhaps the resilience of the military's role in the economy is rooted in local communities who happily relied for decades on the high-paying jobs and federal economic stimulus brought by military Keynesianism and high military budgets. From this perspective, my historical research shows that the elite collusion arguments for the military industrial complex's resilience may be overstated and that there is a link between the continued influence of Keynesian ideals and the resilience of high military spending in the United States.

Finally, I seek to expand on and complicate recent historical discussions on military privatization since WWII. Historian Mark Wilson showed the extent to which American business looked to rewrite the narrative of WWII to emphasize

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*Dwight D. Eisenhower and the Military-Industrial Complex*, (New Haven: Yale University Press, 2011), Alex Roland, *Delta of Power: The Military-Industrial Complex*, (Baltimore: John Hopkins University Press, 2021), and Rebecca Thorpe, *The American Warfare State: The Domestic Politics of Military Spending*, (Chicago: University of Chicago Press, 2014).

private sector success and heroism.<sup>11</sup> Historian Jennifer Mittelstadt argued that the twentieth century was a story of expanding military welfare programs until the 1990s introduced waves of privatization of military welfare.<sup>12</sup> Their co-written piece “The Politics of US Military Privatizations, 1945-2000” further argued that a wave of military outsourcing during 1990s neoliberal reforms were “largely a political project, pushed by business leaders, economists, policymakers, and elected officials whose preferences for private sector solutions were informed both by rigid ideological positions in favor of private enterprise and by self-interested searches for greater profits through takeovers of government resources and functions.”<sup>13</sup> The Charleston BRAC story will both reinforce and complicate Mittelstadt and Wilson’s narratives by showing that the Charleston base closure was subject to a political project emphasizing federal preferences for defense conversion and privatizing federal programs, however, most of the economic conversion solutions for the Charleston naval base relied on continued military dollars and federal jobs. The military welfare state was contracting in Charleston through the 1990s base closure, but instead of being replaced by private business, most military/shipyard economic activity was replaced with different versions of military industrial investment and welfare. Therefore, Charleston’s BRAC history shows that at the local level, despite public rhetoric valorizing the private sector’s role in base closure economic recovery, the

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<sup>11</sup> Mark Wilson, *Destructive Creation: American Business and the Winning of World War II*, (Philadelphia: University of Pennsylvania Press, 2016).

<sup>12</sup> Jennifer Mittelstadt, *The Rise of the Military Welfare State* (Cambridge, Massachusetts: Harvard University Press, 2015).

<sup>13</sup> Jennifer Mittelstadt and Mark R Wilson, *The Military and the Market*. American Business, Politics, and Society. (Philadelphia: University of Pennsylvania Press, 2022).

United States military has quietly continued to be the leading employer and investor in the Charleston economy.

Ultimately, my focus on the domestic economic policy concepts and narratives through local actors and experiences has direct impacts on my methodology and historical sources. In order to bring local voices to the forefront of my narrative, I rely largely on oral history interviews with members of the community and articles from Charleston's primary newspaper, *The Post and Courier*. Many of these interviews are with long-term members of the Charleston community who have expressed a sense of relief that the Navy Yard's history is being documented before much of the story fades away with time. This bottom-up approach will show individual people reacting, resisting, and shaping their community and local economy's future in the wake of the closure announcement. The oral history interviews will be augmented with primary sources collected from local Charleston archives, the National Archives' BRAC record groups, local and national newspapers from the Library of Congress, and documents retained by local members of the community to verify their narratives and put the interviewee's memories in perspective.

My first chapter will focus on defining the concepts of neoliberalism and Keynesianism. It establishes the first part of this work's argument which is that BRAC is fundamentally an effect of the neoliberal consensus in Washington. I will use congressional hearings, presidential speeches, and concepts from Gary Gerstle's work, *The Rise and Fall of the Neoliberal Order* to show that 1990s base closures

were results of a changing economic policy consensus.<sup>14</sup> Base closure was an austerity program, aiming at creating efficiencies in defense spending at the detriment of the military welfare state. I will provide evidence in this first chapter that BRAC's primary significance was and has always been about domestic economics, not foreign policy.

My second chapter will delve into the local conditions before, during, and in the direct aftermath of Charleston's BRAC experience in 1993. It will reveal the deep roots of the naval base and shipyard intertwined with Charleston's local history back to the shipyard's opening in 1901. It will tell the stories of the Charleston naval shipyard workers, emphasizing their profound sense of betrayal but also their reliance on and utilization of extensive federal benefits in those fraught years. I will analyze the local newspaper coverage and editorials on the closure to reveal the widespread existential dread and local expectations of the government's role in the community's welfare. I will show the economic and social expectations and arguments of hundreds of local students writing letters of protest to the Secretary of Defense. I will highlight the BRAC hearings in Charleston and the myriad of actors who defended the Charleston base in their presentations with a diverse array of pleas and logic. Chapter 2 will show the widespread popular support for the naval base and the entrenched community expectation that the government holds a responsibility for their economic welfare.

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<sup>14</sup> Gary Gerstle, *The Rise and Fall of the Neoliberal Order*, (New York: Oxford University Press, 2022),

The third chapter will proceed to the aftermath of the official closure announcement on June 25, 1993. It will tell of local Charleston agency and mixed public-private solutions to the closing Naval base and the economic redevelopment efforts. These efforts relied overwhelmingly on public investment and Keynesian solutions but also showed that neoliberal privatization was valorized in the media from the bottom up, not just down from Washington. The heart of chapter 3 is the story of powerful South Carolina Senators and their distinctly Keynesian strategy of recruiting a myriad of federal and state organizations to the closed naval base to avoid economic crisis in their state's largest city. Next, I will narrate a story of the new shipyard "anchor tenant," Charleston Maritime Manufacturing Consortium, and show how these private businessmen were imbued with collective values in their venture to keep Charleston's maritime and industrial traditions intact. Then, I will reveal the longer path of the Charleston Naval Base Redevelopment Authority efforts in creating private investment and redevelopment on the abandoned base and illuminate how state investments became the primary redevelopment solution after a private redeveloper failed to provide any concrete results. Chapter 3 will show how public investment and solutions were prioritized heavily in the redevelopment of the naval base, revealing the limits of neoliberal policy by emphasizing the necessity of government investment in recovery from economic crisis.

## Chapter 1: Base Realignment and Closure (BRAC): A Product of the Neoliberal Order

In November 2020, I was visiting a friend in Irvine, California, a city tucked in the sprawling suburbs of Orange County just south of Los Angeles. While driving from the airport to his residence, I looked out of the window and the view from the highway was dominated by an enormous dirt and concrete lot spanning for miles with enormous aircraft hangars dwarfing the surrounding suburbs and commercial development. The site was clearly an airfield of some sort and had obvious signs of abandonment like large cracks in the concrete, miles of rusty fence, and weeds growing rampantly in every direction. It was a curious sight in the midst of the clean, newly developed residential neighborhoods. “Marine Corps Air Station [MCAS] El Toro: closed in 1999,” my phone read after a quick internet search. As a Marine myself, stationed just 20 miles south at Camp Pendleton, I wanted to know more about why this massive air station was closed and why it was still sitting here in the middle of Irvine growing weeds more than 20 years after it closed. As I would come to find out, MCAS El Toro was closed as part of a federal initiative called Base Realignment and Closure (BRAC). Occurring in five rounds from 1988 to 2005 and closing hundreds of military bases all over the country, BRAC had a profound impact on many communities which shared land, business, and a sense of local identity with the military. This chapter seeks to answer a straight-forward historical question: what were the origins of BRAC?

BRAC has most often been viewed as a product of the end of the Cold War. For instance, International Security Studies scholar David Sorenson’s study of BRAC

echoes this one-sided Cold War narrative. While Sorenson frames BRAC as an obvious, almost inevitable consequence of the end of the Cold War, this paper will recenter the domestic economic significance.<sup>15</sup> BRAC was an embodiment of the U.S. transition from Keynesian economic policies of the 1930s-1970s to neoliberal policies of the 1980s and 1990s. I will argue that it is no coincidence that the height of military base closures in the United States was also the height of the neoliberal economic “Washington Consensus,” moreover, BRAC should be seen as a quintessential neoliberal policy decision. Although the end of the Cold War did accelerate and expand BRAC’s agenda, at its core BRAC was a domestic policy decision. BRAC spawned from a series of presidential administrations and legislatures who were committed to making the government leaner, more efficient, and less involved in the domestic economy. This chapter will show that BRAC was a child of the neoliberal order which valued austerity, efficiency, downsizing government, and privatizing public programs.

In order to prove the neoliberal origins of BRAC, this chapter will first provide brief macroeconomic policy context of the U.S. and describe the concepts of Keynesianism and neoliberalism. I will echo historian Gary Gerstle’s argument that there was a bipartisan “neoliberal order” in the U.S starting in the 1980s and peaking in the 1990s.<sup>16</sup> I will then give the historical context of past U.S. military base

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<sup>15</sup> David Sorenson, *Shutting Down the Cold War*, 1. While Sorenson is the most comprehensive historical study of BRAC that I have found, BRAC is mentioned in many articles, government reports, and scholarly references. The large majority of them frame BRAC as a result of the post-Cold War military drawdown. For a public-facing example one can simply go to the BRAC Wikipedia page’s first sentence.

<sup>16</sup> Gary Gerstle, *The Rise and Fall of the Neoliberal Order*, (New York: Oxford University Press, 2022), 1.

closures leading up to the 1988 BRAC legislation and argue that the Keynesian policy era enabled the political stalemating of base closures in the U.S. The congressional evidence from the hearings leading up to and including the 1988 BRAC legislation show that the roots of BRAC was always about domestic economics, cutting the deficit, and making the military more efficient. The final section of this chapter argues that the BRAC era corresponds with the neoliberal era for a definitive reason: BRAC was a quintessential neoliberal policy. The rhetoric that policymakers used for describing and continuing BRAC will prove that the neoliberal consensus fueled base closure in order to privatize the military, streamline bureaucracy, and encourage government efficiency and austerity.

*Keynesianism, Neoliberalism, and the Washington Consensus: Political and Economic Context*

This chapter analyzes BRAC's inception through the lens of Gary Gerstle's "neoliberal order."<sup>17</sup> Because the concept of "neoliberalism" has become a somewhat amorphous buzzword in politics and economic policy, some nuanced historical context is necessary to describe neoliberalism, Keynesianism, and the policies and values that are associated with each. Economic liberalism began with the theories of Adam Smith in his pivotal work, *The Wealth of Nations*, published in the late 1700s and which served as a foundational text for modern economic theory.<sup>18</sup> As classical laissez-faire (minimal government intervention) and liberal economic theories became contested and eventually replaced in U.S. politics by the theories of John

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<sup>17</sup> Gary Gerstle, *The Rise and Fall of the Neoliberal Order*, 1.

<sup>18</sup> K. Sutherland, *Wealth of Nations* (New York: Oxford University Press, 2008), xxi–xxii.

Maynard Keynes during the Great Depression, the New Deal, and World War II, the term “neoliberal” and “neoclassical” economics came into public discourse to represent the minority opposition in economics for the middle Keynesian decades of the twentieth century.<sup>19</sup> Keynesianism dominated economic theory in the U.S. from the 1930s New Deal through the 1960s Great Society and was characterized by high federal spending and large amounts of government investment and regulation in the economy to stimulate economic growth and stability.<sup>20</sup>

Many of the quintessential Keynesian policies and programs in the United States were implemented under Franklin D. Roosevelt’s 1930s New Deal, which created an “alphabet soup of bureaucracies.”<sup>21</sup> The institutions created during the New Deal were ways of transferring government dollars into the civilian economy via jobs, investment, and training. The Civilian Conservation Corps (CCC) put unemployed young men to work on national infrastructure and preserve the nation’s natural resources. The Public Works Administration (PWA), Civil Works Administration (CWA), and Works Progress Administration (WPA) employed millions of Americans on a variety of local, public construction projects, including hospitals, roads, bridges, public housing, schools, and improving military bases as

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<sup>19</sup> Gary Gerstle, *The Rise and Fall of the Neoliberal Order*, 5-6.

<sup>20</sup> I use the terms “Keynesianism” in this paper to describe increased government spending in order to stimulate or stabilize economic conditions. It must be noted that Keynes himself was a bit stricter in his writings and theories, arguing that increased federal spending should be used to stimulate the economy in times of recession in order to reach full employment however, Keynes also recommended cutting public expenditures when the economy was strong and did not believe in maintaining deficit spending. Although I use the term Keynesian in line with the derived definition, I acknowledge that high federal spending which is disconnected with the business cycle is not strictly Keynesian. For more on this topic, see Chapter 3 of Herbert Stein, *Presidential Economics: The Making of Economic Policy from Roosevelt to Reagan and Beyond*, (New York: Simon and Schuster, 1984).

<sup>21</sup> Eric Rauchway, *The Great Depression & the New Deal: A Very Short Introduction*, (Oxford: Oxford University Press, 2008), 66.

shown in the next chapter.<sup>22</sup> Roosevelt also created a Committee on Economic Security which researched and drafted the Social Security Act in 1935, providing a national pension system for the elderly.<sup>23</sup> Roosevelt and the New Deal embodied a new concept that would dominate American economics for the following 50 years, that the U.S. government had a responsibility to provide employment and an economic safety net for its citizens.

World War II poured gas on the Keynesian fire. Federal investments in New Deal programs and bureaucratic organizations were dwarfed by WWII mobilization spending. Federal spending rose from 8% of national gross domestic product in 1938 to 40% in 1943.<sup>24</sup> Unemployment plummeted as the military and military industry expanded in every region of the nation. More bureaucratic organizations like the War Production Board popped up to manage the massive public investments in wartime industrial plants.<sup>25</sup> The massive economic growth of the wartime American economy provided evidence to many economists and politicians that government investment, big government, and Keynesian policies were good for the economy. After WWII, the term “military Keynesianism” emerged to describe both the general stabilizing effect of high military spending on the American economy, as well as the intentional use of targeted increased military spending to prime the pump of the American economy during economic downturns.<sup>26</sup>

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<sup>22</sup> Eric Rauchway, *The Great Depression & The New Deal: A Very Short Introduction*, 64-67.

<sup>23</sup> Eric Rauchway, *The Great Depression & The New Deal: A Very Short Introduction*, 98-100.

<sup>24</sup> Eric Rauchway, *The Great Depression & The New Deal: A Very Short Introduction*, 126.

<sup>25</sup> Mark Wilson, *Destructive Creation*, 76.

<sup>26</sup> Timothy Barker makes this useful distinction between what he terms “functional” and “instrumental” military Keynesianism in his essay, Timothy Barker, “Don’t Discuss Jobs Outside this Room: Reconsidering Military Keynesianism in the 1970s,” in *The Military and the Market*, ed. Jennifer Mittelstadt and Mark Wilson, (Philadelphia, University of Pennsylvania Press, 2022), 135-136.

Although public spending declined sharply in the post-WWII years, many of the Keynesian values persisted and were best exemplified by Lyndon Johnson's Great Society reforms of the mid-1960s. Johnson and the 88th Congress passed a wave of quintessential Keynesian legislation such as "the Revenue Act (Keynesian tax cuts), Civil Rights Act, Economic Opportunity Act (poverty)," Medicare, amendments to the Social Security Act, Fair Labor Standards Act, Model Cities Act, Fair Housing Act, as well as significant education and environmental conservation acts.<sup>27</sup> All of this legislation reflected an expanding government role in the economy, the protection of working class and lower class Americans, and a significant increase in government protection of individual rights to welfare, employment, housing, education, and freedom from discrimination.

However, Keynesianism began receding in the 1970s and was slowly replaced by neoliberalism as the prevailing economic theory. In place of government spending, government contraction, privatization, austerity, and deficit reduction defined neoliberal economic theories with a primary goal of preventing inflation and promoting a healthy, free-market economy. Politicians turned to neoliberal policies in response to nationwide "stagflation" (simultaneous high levels of inflation and economic contraction) and international economic crises.<sup>28</sup> The Chicago School of Economics, with prominent economists Milton Friedman and Friedrich Hayek, came to represent neoliberal free market economic ideas. The neoliberals challenged

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<sup>27</sup> Irving Bernstein, *Guns or Butter: The Presidency of Lyndon Johnson*, (New York: Oxford University Press, 1996), 529-530.

<sup>28</sup> Gary Gerstle, *The Rise and Fall of the Neoliberal Order*, 2.

Keynesian government investments and interference in the national economy and gained significant popularity during the 1970s.<sup>29</sup>

President Ronald Reagan's administration championed free market neoliberalism through the 1980s as leader of the "New Right," which combined increasingly libertarian economics and conservative religious principles to gain many working class and moderate Democratic votes.<sup>30</sup> In his 1981 inaugural speech, Reagan proclaimed, "Government is not the solution to our problem, government is the problem," ushering in years of downsizing government programs from New Deal and Great Society initiatives.<sup>31</sup> Reagan was seen as the figurehead of neoliberal, small government policy despite contradicting central neoliberal tenets of deficit reduction and government contraction through his massive military buildup of the 1980s.<sup>32</sup> However, Reagan and the New Right set the scene for what historian Kim Phillips-Fein argues was a total "shifting of the common ground in American politics" during the 1980s and 1990s.<sup>33</sup> "New Democrats" responded to the popularity of the New Right by shifting the party towards moderate voters, forming the Democratic Leadership Council (DLC) in 1985 which took up neoliberal economic policies.<sup>34</sup> One prominent DLC member was President Bill Clinton, who was the "key

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<sup>29</sup> William Ruger, *Milton Friedman*, (London: Bloomsbury Academic, 2011), 3.  
<https://doi.org/10.5040/9781501301582>.

<sup>30</sup> Dan Allosso, "The New Right" in *US History II: Gilded Age to Present* (Pressbooks Publications)  
<https://mlpp.pressbooks.pub/ushistory2/chapter/the-new-right/>

<sup>31</sup> Ronald Reagan, "Presidential Inaugural Address 1981," Ronald Reagan Presidential Library.  
<https://www.reaganlibrary.gov/archives/speech/inaugural-address-1981>

<sup>32</sup> David Harvey, *A Brief History of Neoliberalism*, (Oxford: Oxford University Press, 2007), 5.

<sup>33</sup> Kim Phillips-Fein, *Fear City: New York's Fiscal Crisis and the Rise of Austerity Politics*, (New York: Metropolitan Books, 2017), 9.

<sup>34</sup> Dan Allosso, "The New Right" in *US History II: Gilded Age to Present*  
<https://mlpp.pressbooks.pub/ushistory2/chapter/the-new-right/>

facilitator” of what historian Gary Gerstle called “The Neoliberal Order.”<sup>35</sup> This bipartisan Neoliberal Order embraced free market solutions, free trade, budget austerity, welfare reduction, government efficiency, and federal contraction throughout the 1990s and into the 2000s.<sup>36</sup>

During the Bush and Clinton administrations, the United States ran budget surpluses, prioritized national debt reduction, and embraced neoliberal economic theory. The Neoliberal Order and Washington Consensus peaked in the early 1990s, precisely when widespread military base closure was at its height.<sup>37</sup> I will argue that this was no coincidence and that BRAC was a child of the Neoliberal Order.

### *Past Military Drawdowns and Base Closures*

Military base infrastructure in the United States long relied on the cadence of American wars, expanding during wartime, and contracting during subsequent peacetimes. Prior to the late 1940s however, the U.S. military base narrative consisted largely of base construction as new states gained statehood and new military infrastructure was erected in the western frontier and in territories abroad. In the post-World War II era, the military successfully closed excess wartime bases in two large batches, in the late 1940s and early 1960s, in the military drawdowns following WWII and the Korean War, with virtually no Congressional oversight or interference.<sup>38</sup> WWII brought significant wartime changes to American society, one of which was a vast expansion of military base infrastructure, so it is natural that

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<sup>35</sup> Gary Gerstle, *The Rise and Fall of the Neoliberal Order*, 1.

<sup>36</sup> Gary Gerstle, *The Rise and Fall of the Neoliberal Order*, 1.

<sup>37</sup> Gary Gerstle, *The Rise and Fall of the Neoliberal Order*, 2

<sup>38</sup> Michael Touchton and Amanda Ashley, *Salvaging Community: How American Cities Rebuild Closed Military Bases*, (Ithaca New York: Cornell University Press, 2019), 24.

American politicians and citizenry did not resist its subsequent contraction in the postwar decade. The second contraction in the early 1960s drew more attention from legislators who realized that closing bases meant less federal investment in their districts. Now deep in the Keynesian era, politicians inserted themselves into the base closure process to keep military dollars flowing to their constituents.

Congress passed the Military Construction Authorization Bill in 1965, which imposed legislative oversight onto military base closure decisions and firmly inserted politics into the base closure process. This bill included a provision slipped in at the end of the document that no military base with more than 250 combined military and civilian employees “shall be closed or abandoned until after the expiration of thirty days from the date upon which a full report of the facts, including the justification for such proposed action, is submitted by the Secretary of Defense to the Committees on Armed Services of the Senate and House of Representatives.”<sup>39</sup> President Johnson vetoed the original bill, proposed a month before, because Congress originally included a waiting period of one year before a base could be closed.<sup>40</sup> Politicians in the early 1960s realized how much military base openings and closings impacted their local districts’ economically and felt that congressional oversight was necessary.<sup>41</sup>

The provision about oversight specifically when a base supported 250 or more

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<sup>39</sup> U.S. Congress, “Military Construction Authorization Bill,” Public Law 89-188, September 16, 1965, 818-819, <https://www.congress.gov/89/statute/STATUTE-79/STATUTE-79-Pg793.pdf#:~:text=79%20STAT.%20%5D%20PUBLIC%20LAW%2089-188-SEPT.%2016%2C%201965,America%20in%20Congress%20assembled%5E%20stmction%5EAia%20%20B0hori-%20zation%20Act%2C%201966>.

<sup>40</sup> Lyndon B. Johnson, “Statement by the President Upon Signing the Military Construction Authorization Act” September 16, 1965. Accessed on <https://www.presidency.ucsb.edu/documents/statement-the-president-upon-signing-the-military-construction-authorization-act>.

<sup>41</sup> Michael Touchton and Amanda J Ashley, *Salvaging Community: How American Cities Rebuild Closed Military Bases*, (Ithaca, New York: Cornell University Press), 24-25.

employees proves that the legislative intervention into base closure was undoubtedly about employment and rooted in Keynesian beliefs that federal jobs and investments were necessary for driving the economy.

Despite this Congressional obstruction, another round of base closures occurred in the early 1970s in the wake of the Vietnam War. Amid stagflation and a deep recession with high unemployment levels, the second wave of closures pushed Congress to do more to protect their local economies and their constituent's jobs. In 1976, Congress enacted additional measures via Section 2687 of Title 10, United States Code, requiring the Department of Defense to notify Congress if an installation became a closure or realignment candidate "as part of an annual request for authorization of appropriations."<sup>42</sup> Effectively, this meant that the Secretary of Defense was not allowed to close a base without including funds to close the base in their defense appropriations bill each year. It also instituted required submissions of time-consuming evaluations of the "fiscal, local economic, budgetary, environmental, strategic, and operational consequences of such closure or realignment."<sup>43</sup> As a result of this legislation, no military bases were closed for more than a decade between 1976-1988.

The reasons for Congressional interference into military base closure during this time can be seen from a few different perspectives: pork barrel politics,

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<sup>42</sup> United States Code, Title 10, Section 2687, "Base Realignment and Closures," January 4, 1995. <https://uscode.house.gov/view.xhtml?req=fair+housing+act&f=treesort&num=10#:~:text=%C2%A72687.%20Base%20closures%20and%20realignments%20%28a%29%20Notwithstanding%20any,300%20civilian%20personnel%20are%20authorized%20to%20be%20employed%3B>.

<sup>43</sup> United States Code, Title 10, Section 2687, "Base Realignment and Closures," January 4, 1995. <https://uscode.house.gov/view.xhtml?req=fair+housing+act&f=treesort&num=10#:~:text=%C2%A72687.%20Base%20closures%20and%20realignments%20%28a%29%20Notwithstanding%20any,300%20civilian%20personnel%20are%20authorized%20to%20be%20employed%3B>.

constituency representation, and accusations of politicized base closures.<sup>44</sup> Resistance to base closure embodied pork barrel politics because legislators were directly interested in keeping federal dollars flowing to their districts to appease their voters. That being said, it should not be understated that military bases in most districts around the country were widely popular among local citizens and the politicians have a duty to represent their constituencies. Chris Simpco, a press secretary for the Department of Defense, was interviewed in 1993 and gave testimony to the “hundreds of thousands of letters [that] came from residents asking that their military bases be spared.”<sup>45</sup> From this perspective, resistance to base closure differs from more straightforward examples of pork barrel politics, such as weapons procurement “political engineering.”<sup>46</sup> A politician’s job is to represent their constituents and the bases bring federal dollars, jobs, and often a sense of patriotism to their district so it seems fitting that politicians would resist closures, especially in a time of Keynesian consensus. The last reason for congressional interference was that there were serious accusations that in the 1960s and 1970s base closures became a tool that presidents and defense secretaries used to threaten, punish, or politically influence legislators. In a Congressional hearing over base closure, Texas Representative Richard Arme

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<sup>44</sup> Pork barrel politics is a phrase that originated from a southern tradition of plantation owners giving out barrels of salt pork to their slaves and now refers to legislation or government spending that directly benefits their home district economically. See David Sorenson, *Shutting Down the Cold War*, 19-20.

<sup>45</sup> Lisa Finnegan, “Base Closure Commission Relaxing After the Defense Storm,” *States News Service*, August 20, 1993. <https://advance-lexis-com.proxy-um.researchport.umd.edu/api/document?collection=news&id=urn:contentItem:3SJ5-6680-001T-F0KJ-0000-00&context=1516831>.

<sup>46</sup> The term political engineering was used in a recent 2015 *Atlantic* article meaning, “the art of spreading a military project to as many congressional districts as possible, and thus maximizing the number of members of Congress who feel that if they cut off funding, they’d be hurting themselves.” From James Fallows, “The Tragedy of the American Military,” *The Atlantic*, January 2015, 13. From [www.theatlantic.com/features/archive/2014/12/the-tragedy-of-the-american-military/383516/](http://www.theatlantic.com/features/archive/2014/12/the-tragedy-of-the-american-military/383516/)

argued that this “institutional bias” of putting “uncompromised authority over basing in the hands of the Defense Department” created conditions where bases had been closed because of politics instead of military preparedness, a trend that “naturally, Congress would guard against.”<sup>47</sup> All three of these factors reveal that congressional obstruction to base closures from 1976-1988 was about money, jobs, and the distribution of federal dollars throughout the country. As long as Keynesian economics dominated national policy and government spending, the equitable distribution of military and other federal dollars was contested.

That began to change with the rise of the neoliberal economic order in the 1980s. The process was jumpstarted by a quintessential embodiment of neoliberal values, the Grace Commission. Also known as the President’s Private Sector Survey on Cost Control (PPSS), the Grace Commission was a task force stood up by Reagan in 1982 which comprised of 30 private sector executives who analyzed the federal government through the lens of business efficiency and was chaired by businessman J. Peter Grace.<sup>48</sup> In their 656-page report, the Grace Commission argued that one third of taxpayer dollars are wasted due to government inefficiencies and recommended 2,478 changes to save “\$424 billion of waste in the Federal Government over three years.”<sup>49</sup> The Grace Commission reprimanded Congressional interference and concluded “because Congress obstructs the closing of bases that the military wants to

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<sup>47</sup> U.S. Congress, House, Subcommittee on Military Installations and Facilities, Committee on Armed Services, *To Establish the Bipartisan Commission on the Consolidation of Military Bases*, 100th Congress 1 H.R.S. 1583, March 12, 1987, 11.

<https://congressional.proquest.com/congressional/docview/t29.d30.hrg-1988-ash-0008?accountid=14696>

<sup>48</sup> J. Peter Grace, “The President’s Private Sector Survey on Cost Control,” January 20, 1984, i-b. <https://archive.org/details/GraceCommissionReport/page/n5/mode/2up>

<sup>49</sup> Congressional Research Service, “Grace Commission,” January 31, 1985, 1. <https://digital.library.unt.edu/ark:/67531/metacrs9044/m1/9/>

close, the three-year waste is \$367 million. In total, PPSS recommends three-year savings of \$3.1 billion by closing excess military bases.”<sup>50</sup> This report highlighted military infrastructure inefficiencies to President Reagan’s administration and recommended a ten percent decrease in the military base footprint in 1984.<sup>51</sup> In the following years, base closure hearings became frequent as Congress struggled to pass legislation that would allow significant cost-savings while also being fair to Congressmen and their constituents.

### *Base Closure Congressional Precursors to the 1988 BRAC Bill*

After the Grace Commission, the rise in a neoliberal consensus within Congress and three sequential Presidential Administrations provided the impetus for the BRAC Commission to come to life. Through the mid-1980s until the first BRAC legislation in October 1988, hearings about base closure were constant and the rhetoric used by defense officials and congressional representatives emphasized how BRAC was primarily about government efficiency, austerity, and bringing down the budget deficit.

In a 1985 hearing well before politicians were talking about the end of the Cold War, Assistant Secretary of Defense Lawrence Korb reflected Grace Commission values in his base closure testimony saying, “I should like to point out that the Department of Defense always tries to give the most defense for the least amount of money.”<sup>52</sup> Throughout his testimony Korb continued to emphasize cost-

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<sup>50</sup> Congressional Research Service, “Grace Commission,” January 31, 1985, 9. <https://digital.library.unt.edu/ark:/67531/metacrs9044/m1/9/>

<sup>51</sup> David Sorenson, *Shutting Down the Cold War*, 44-45

<sup>52</sup> U.S. Congress, House, Subcommittee on Military Construction, Committee on Armed Services, *Base Closure*, 99th Congress, Hearing 99-580, May 2, 1985, 16-17.

savings and efficiencies. At the end of his speech Korb referenced the neoliberal priorities of President Reagan, concluding, “I should like to remind the subcommittee of the speech that President Reagan made on April 24 of this year in which he observed that the present budgetary situation requires that we all make painful choices, including base closures.”<sup>53</sup> Korb pressured the Senate Subcommittee on Military Construction to give the Department of Defense leeway to close bases in light of rising skepticism of government waste and a massive federal budget deficit with the goal of a “effective and efficient base structure.” Korb did not appeal to the international security situation once during his testimony, because the Cold War was still very much underway.<sup>54</sup>

The remarks and concerns noted by the Senators on the Subcommittee also revealed that the crux of the discussion on base closure was about a tightening budget situation in Washington and aligning the military with neoliberal government contraction. Texas Senator Phil Gramm (a former economist who in 1983 switched from the Democratic to the Republican Party) was heavily involved in this 1985 hearing. Halfway through the hearing, Gramm commented, “Now, if you were going to run the Defense Department as a business with strictly that function in mind-I am not saying we necessarily want to do that, but, obviously, that is the direction we are

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<https://congressional.proquest.com/congressional/docview/t29.d30.hrg-1985-sas-0034?accountid=14696>

<sup>53</sup> U.S. Congress, House, Subcommittee on Military Construction, Committee on Armed Services, *Base Closure*, 99th Congress, Hearing 99-580, May 2, 1985, 16-17.

<https://congressional.proquest.com/congressional/docview/t29.d30.hrg-1985-sas-0034?accountid=14696>

<sup>54</sup> U.S. Congress, House, Subcommittee on Military Construction, Committee on Armed Services, *Base Closure*, 99th Congress, Hearing 99-580, May 2, 1985, 16-17.

<https://congressional.proquest.com/congressional/docview/t29.d30.hrg-1985-sas-0034?accountid=14696>

going to be forced by budgetary constraints to move in.”<sup>55</sup> This explicit reference to running the military like a business in the near future because of federal budget contraction showed how important austerity politics became with the rise of the neoliberal order. Gramm went on to mention the 1985 defense budget debates arguing that politicians “who voted for zero growth rate defense” need to vote for base closures as well because what should be closed “depends on the amount of money you have.”<sup>56</sup> Neoliberal emphasis on cutting spending filled the hearings on base closure in the mid-1980s and became the fuel for the 1988 BRAC legislation.

Just two years later in 1987, Congress introduced the idea of a bipartisan commission that would serve as the framework for the 1988 BRAC Commission which was tentatively called the "Defense Savings Act."<sup>57</sup> Texas Representative and future House Majority Leader Dick Armev introduced the bill that was “in the interests of national security and the efficient use of Federal revenue.”<sup>58</sup> The Defense Savings Act’s name alone is telling as it sought to cast base closure overtly as government savings and efficiency. The Ranking Minority Member of the Military

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<sup>55</sup> U.S. Congress, House, Subcommittee on Military Construction, Committee on Armed Services, *Base Closure*, 99th Congress, Hearing 99-580, May 2, 1985, 16-17.  
<https://congressional.proquest.com/congressional/docview/t29.d30.hrg-1985-sas-0034?accountid=14696>

<sup>56</sup> U.S. Congress, House, Subcommittee on Military Construction, Committee on Armed Services, *Base Closure*, 99th Congress, Hearing 99-580, May 2, 1985, 16-17.  
<https://congressional.proquest.com/congressional/docview/t29.d30.hrg-1985-sas-0034?accountid=14696>

<sup>57</sup> U.S. Congress, House, Subcommittee on Military Installations and Facilities, Committee on Armed Services, *To Establish the Bipartisan Commission on the Consolidation of Military Bases*, 100th Congress 1 H.R.S. 1583, March 12, 1987, 1.  
<https://congressional.proquest.com/congressional/docview/t29.d30.hrg-1988-ash-0008?accountid=14696>

<sup>58</sup> U.S. Congress, House, Subcommittee on Military Installations and Facilities, Committee on Armed Services, *To Establish the Bipartisan Commission on the Consolidation of Military Bases*, 100th Congress 1 H.R.S. 1583, March 12, 1987, 2.  
<https://congressional.proquest.com/congressional/docview/t29.d30.hrg-1988-ash-0008?accountid=14696>

Installations and Facilities Subcommittee, Lynn Martin, commented on the bill, “At a time when military budgets are being cut again for the fourth straight year, this is every bit as important as it was 8 years ago, 20 years ago or 50 years ago.”<sup>59</sup> Martin’s emphasis on the shrinking military budget embodies the state of the military and the main concerns of Congress in 1987. Their goal was widespread government contraction and deficit reduction. Echoing the Grace Commission’s common refrains, Arney noted, “we can pass legislation which will allow us to reduce inefficiencies, waste, cut fat out of the military budget and leave more monies available thereby to protect our national security with a greater degree of efficiency.”<sup>60</sup>

The argument I am making here is that the rhetoric of the Congressional hearings of both the Senate and the House Armed Service Committees revealed the true roots of BRAC, the rise of the neoliberal order. Although base closure had been halted in the 1970s due to politics and economic concerns, it was not the end of the Cold War that overcame the base closure stalemate, instead it was neoliberal concerns over deficit reduction and federal efficiency. Congressman Arney summed up my argument best in his remarks for the Defense Savings Act: “Members of this Subcommittee know better than most that making economies in our military base

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<sup>59</sup> U.S. Congress, House, Subcommittee on Military Installations and Facilities, Committee on Armed Services, *To Establish the Bipartisan Commission on the Consolidation of Military Bases*, 100th Congress 1 H.R.S. 1583, March 12, 1987, 2.

<https://congressional.proquest.com/congressional/docview/t29.d30.hrg-1988-ash-0008?accountid=14696>

<sup>60</sup> U.S. Congress, House, Subcommittee on Military Installations and Facilities, Committee on Armed Services, *To Establish the Bipartisan Commission on the Consolidation of Military Bases*, 100th Congress 1 H.R.S. 1583, March 12, 1987, 14.

<https://congressional.proquest.com/congressional/docview/t29.d30.hrg-1988-ash-0008?accountid=14696>

structure is one of the most unpleasant issues dealt with by the House of Representatives. Nevertheless, the federal budget deficit is extremely serious.”<sup>61</sup>

*The 1988 BRAC Commission: The First Iteration and Template for Neoliberal Reforms*

Due to constant pressures from defense officials striving to meet Reagan’s Grace Commission government efficiency standards and pressures from neoliberal congressional representatives like Arme y and Gramm, the BRAC bill passed in 1988 and the process that it created was in and of itself a testament to neoliberal ideologies. The BRAC template that the 1988 legislation established went like this: the Pentagon forwarded a list of proposed bases to close to an independent panel of twelve board members, called the BRAC Commission, who were nominated by the Secretary of Defense and confirmed by Congress. The BRAC Commission objectively reviewed the Defense Department’s list to verify the department’s data, cost-savings, and political objectivity before editing the list and forwarding to the President and Congress, who could either accept the all of the closures or deny the entire list with a Presidential veto or Joint Resolution by Congress.<sup>62</sup> This first iteration of BRAC closed 86 bases, partially closed another 5, and realigned 54 bases saving an estimated \$693.6 million per year.<sup>63</sup>

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<sup>61</sup> U.S. Congress, House, Subcommittee on Military Installations and Facilities, Committee on Armed Services, *To Establish the Bipartisan Commission on the Consolidation of Military Bases*, 100th Congress 1 H.R S. 1583, March 12, 1987, 15.

<https://congressional.proquest.com/congressional/docview/t29.d30.hrg-1988-ash-0008?accountid=14696>

<sup>62</sup> Defense Secretary’s Commission on Base Realignment and Closure, *Base Realignment and Closure Report*, December 1988, <https://apps.dtic.mil/sti/tr/pdf/ADA204625.pdf>

<sup>63</sup> U.S. Congress, House, Committee on Armed Services, *Recommendations of Commission on Base Realignment and Closure*, 101<sup>st</sup> Congress, Report 101-7, March 14, 1989.

[https://congressional.proquest.com/congressional/docview/t49.d48.13950\\_h.rp.7?accountid=14696](https://congressional.proquest.com/congressional/docview/t49.d48.13950_h.rp.7?accountid=14696)

The first BRAC Commission contained trademarks of the neoliberal era which would persist through the subsequent four iterations. First, it entrusted government decision-making and process improvement to private individuals through an independent Commission. The 1988 Commission was made up of a diverse list of retired Congressmen, bureaucrats, and retired military officers. Yet they were all now private citizens, out of government roles, and a large majority of whom were now employed by private corporations throughout the country. The 1988 Commission comprised of members working for four private law firms, a president of AMTRAK, a former CEO of Allstate Insurance, three retired military flag officers, a president of a construction firm, an executive for Ford Aerospace Corporation, and an executive for Clean Sites Inc.<sup>64</sup> As first exemplified by the Grace Commission in 1984, there is something distinctly neoliberal about deferring difficult public decision-making authority to private business leaders. BRAC itself conformed to neoliberal valorization of the private business sector, as the BRAC Commission itself was privatized in its form.

The second element of the 1988 BRAC Commission which speaks directly to neoliberal values was the identified priorities of austerity and efficiency that they agreed upon. In their Final Report's Preface, the BRAC Commission co-chairmen Abraham Ribicoff and Jack Edwards echoed congressional refrains of austerity and recognized their central goal was cost saving and budget reduction proclaiming, "There is no question that implementing our proposed realignment and closure

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<sup>64</sup> Defense Secretary's Commission on Base Realignment and Closure, *Base Realignment and Closure Report*, December 1988, 46-47. <https://apps.dtic.mil/sti/tr/pdf/ADA204625.pdf>

recommendations will require some fortitude, but we believe that the hard budget choices facing our nation mandate that unneeded bases be closed and realigned.”<sup>65</sup> That being said, the Commission prioritized “military value” the highest, a vague category including mission suitability, availability and quality of facilities, quality of life, and community support.<sup>66</sup> Military value came to be more firmly defined in the coming iterations of BRAC but in this instance, it really equated to a sense of overall quality and efficiency of a base in accomplishing its mission. Military value and cost saving were both prioritized over community economic impacts of the base closure, a telling sign of their prioritization of military efficiency and cost-cutting over the welfare of Americans the base supported.

Lastly, the 1988 Commission made a note that, “first, in the 1980s the federal government has made a concerted effort to realize proceeds from the disposal of assets. With regard to the recommendations of this Commission, there is a clear expectation that the Department of Defense will derive financial benefit from the sale of base-closure real estate.”<sup>67</sup> This recommendation that the government should seek financial benefits from the sale of base real estate to local communities and private actors embodied the neoliberal sentiment that the military and BRAC should be run like a private business, maximizing revenue and efficiencies instead of prioritizing local communities recovery. This aspect of BRAC would be highly contested in later

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<sup>65</sup> Defense Secretary’s Commission on Base Realignment and Closure, *Base Realignment and Closure Report*, December 1988, 4. <https://apps.dtic.mil/sti/tr/pdf/ADA204625.pdf>

<sup>66</sup> Defense Secretary’s Commission on Base Realignment and Closure, *Base Realignment and Closure Report*, December 1988, 50. <https://apps.dtic.mil/sti/tr/pdf/ADA204625.pdf>

<sup>67</sup> Defense Secretary’s Commission on Base Realignment and Closure, *Base Realignment and Closure Report*, December 1988, 27. <https://apps.dtic.mil/sti/tr/pdf/ADA204625.pdf>

BRAC cycles and became case dependent but perfectly represented the neoliberal ethos at the core of BRAC objectives.

In summary, this section argues that the 1988 iteration of base closures set an enduring precedent for future BRAC iterations. This precedent was infused with neoliberal logic, strategies, and values. It utilized private businessmen in the analysis of base closure priorities, deferring decision-making from public representatives to private CEOs and lawyers. It prioritized military value, efficiency, and cost-savings in order to make its base closure recommendations and relegated community impact and welfare largely to an afterthought. BRAC aimed to run the military base closure campaign like a private business, recommending real estate sales which increase financial benefit at the expense of the communities. In the next section, I argue these neoliberal roots, rhetoric, and strategies remained resilient throughout the height of BRAC.

### *BRAC and the Neoliberal Order*

In this section, I will show that BRAC closures directly coincide with the high point of the U.S. neoliberal order. I stress the continued importance of budget austerity, government efficiency, and federal contraction during the peak years of neoliberal consensus within the Bush and Clinton administrations. The federal rhetoric during these early post-Cold War years reinforce my claim that BRAC should be seen foundationally as a neoliberal program in an era of deficit hawks, privatization hounds, and free market enthusiasts.

In the 1990s, federal deficits became public enemy number one for both the Bush and Clinton administrations. In the 1990 National Security Strategy (NSS),

President Bush argued that the U.S.'s economic standing in the world needed to be improved, declaring "for deficit countries like the United States, this requires action to reduce budget deficits and encourage private savings."<sup>68</sup> This neoliberal logic was common in Bush's public rhetoric. In his 1989 Inaugural Speech, he stated, "funds are low," "we have a deficit to bring down," and that the U.S. has "more will than wallet."<sup>69</sup> A year later in his 1990 State of the Union Address, Bush promised the American people that his administration's budgets would bring "federal spending under control." These neoliberal economic values were still being echoed four years later in President Clinton's 1994 NSS. "Our primary economic goal is to strengthen the American economy and reverse the decline in American competitiveness that plagued our international economic performance for over a decade. The first step toward that goal was reducing the federal deficit and the burden it imposes on the economy and future generations."<sup>70</sup>

Running for office in this poor economic context, President Clinton similarly recognized the political importance of a strong national economy. In the final Presidential Debate against President Bush and fellow candidate Ross Perot in October 1992, Clinton argued, "We have to face that in this world economic security is a whole lot of national security. Our dollar is at an all-time low against some foreign currencies. We're weak in the world. We must rebuild America's strength at

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<sup>68</sup> "National Security Strategy of the United States, January 1990," National Security Archive, accessed on <https://nssarchive.us/wp-content/uploads/2020/04/1990.pdf>, [21](#).

<sup>69</sup> George H.W. Bush, "January 20, 1989: Inaugural Address," Miller Center, University of Virginia, accessed on <https://millercenter.org/the-presidency/presidential-speeches/january-20-1989-inaugural-address>.

<sup>70</sup> "National Security Strategy of the United States, January 1994" National Security Archive, accessed on March 25, 2023, <https://nssarchive.us/wp-content/uploads/2020/04/1994.pdf>, 15.

home.”<sup>71</sup> After the economic recession of 1991, the presidential election of 1992 embodied the importance of economic strength to American public opinion. In an August 1991 Gallup poll, Americans were asked “how important an issue do you think the economy should be in the 1992 election?” Answering on a scale from 1-5, 57 percent answered 5 (Very important), with another 23 percent answering 4.<sup>72</sup> Historian Gary Gerstle emphasized that “a key attribute of a political order is the ability of its ideologically dominant party to bend the opposition party to its will,” and I echo his argument that the 1990s Democrats joined the neoliberal consensus.<sup>73</sup> The Clinton Administration undid classic Keynesian programs with the passing of the Welfare Reform Act, Financial Services Modernization Act, and major cuts on business and capital gains taxes. Clinton and the DLC “embraced the neoliberal principles of ‘individual responsibility’ and ‘accountability’ in place of the old Left’s credo of ‘collective welfare.’”<sup>74</sup> Clinton’s clear focus on federal efficiency through “Reinventing Government” initiatives and his administration’s steadfast commitment to balancing the budget carried BRAC momentum from the late 1980s into the 1990s and beyond.

The three iterations of BRAC in the 1990s (1991, 1993, 1995) perfectly coincided with the neoliberal consensus to balance budgets and contract the federal

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<sup>71</sup> “Debate with Bill Clinton and Ross Perot,” October 11, 1992, Miller Center, University of Virginia, <https://millercenter.org/the-presidency/presidential-speeches/october-11-1992-debate-bill-clinton-and-ross-perot>.

<sup>72</sup> Gallup Organization Poll: August 1991, Question 6, USGALLUP.205009.R02, Gallup Organization, (Cornell University, Ithaca, NY: Roper Center for Public Opinion Research, 1991), <https://ropercenter-cornell-edu.proxy-um.researchport.umd.edu/ipoll/study/31105466/questions#6da109f3-934f-476e-887c-8066b01c369c>

<sup>73</sup> Gary Gerstle, *The Rise and Fall of the Neoliberal Order*, 3.

<sup>74</sup> Manfred Steger and Ravi Roy, *Neoliberalism : A Very Short Introduction*, (Oxford: Oxford University Press, 2010), 59-65.

government. The National Performance Review instituted by President Clinton and Vice President Gore was renamed “Reinventing Government” and was a rebirth of the Grace Commission’s blueprint. The final report published in 1993 was titled, “Creating a Government That Works Better and Costs Less” and recommended 384 actions which would save \$108 billion in federal spending and cut the federal workforce by 252,000 positions.<sup>75</sup> As a result of this report, the Department of Defense “launched a Bottom-Up Review to meet the President's 1994-1997 spending reduction target.”<sup>76</sup> Throughout the 1990s, military budgets fell and the deficit dwindled under the supervision of prominent neoliberal acolytes such as Federal Reserve Chair Alan Greenspan, Secretary of the Treasury Robert Rubin, and deficit hawk Chief of Staff Leon Panetta.<sup>77</sup> During his 1998 State of the Union Address, President Clinton boasted, “Tonight I come before you to announce that the federal deficit, once so incomprehensibly large that it had 11 zeros, will be, simply, zero. I will submit to Congress for 1999 the first balanced budget in 30 years.”<sup>78</sup> Neoliberal dominance in the 1990s was evident and BRAC fit right in with their goal to balance the federal budget and reduce government overhead.

Despite the overwhelming evidence that BRAC was a quintessential neoliberal austerity program, there is little doubt that the 1991 BRAC Commission was influenced by the newfound post-Cold War force structure decreases. The 1991

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<sup>75</sup> National Performance Review, “A Brief History of the National Performance Review,” 1997, Accessed on <https://govinfo.library.unt.edu/npr/library/papers/bkgrd/brief.html>.

<sup>76</sup> National Performance Review, “Introduction,” September 7, 1994, Accessed on <https://govinfo.library.unt.edu/npr/library/nprprt/annrpt/redtpe93/23ba.html>

<sup>77</sup> Gary Gerstle, *The Rise and Fall of the Neoliberal Order*, 158.

<sup>78</sup> William Clinton, “State of the Union Address,” January 27, 1998, Miller Center, University of Virginia, accessed on <https://millercenter.org/the-presidency/presidential-speeches/january-27-1998-state-union-address>

Report to the President declared, “The Department of Defense is reducing and reshaping its military forces to adapt to changes in the strategic environment, and to meet the challenges and opportunities of the post-Cold War era.”<sup>79</sup> Yet this Cold War remark was straddled by comments on the cost-savings expectation of “\$1.7 billion per year” and “streamlining defense infrastructure to extract the greatest national security value from increasingly scarce resources.”<sup>80</sup> The 1991 BRAC Commission Chairman’s phasing in his letter to the President is telling: “Nevertheless, budget constraints, coupled with changing national security requirements, compel the United States to reduce its military overhead costs.”<sup>81</sup> His stress on budget reduction speaks to the true essence of BRAC, an offspring of neoliberal austerity politics. Therefore, even in the 1991 BRAC sources, the precedence of neoliberal budget cuts over post-Cold War strategic opportunities is clear. The 1990s BRAC cuts contributed directly to the balanced budgets in the late-1990s, but that was not quite the end of BRAC.

In April 1993, a series of congressional hearings discussed a highly publicized initiative of President Clinton, defense conversion. These hearings discussed both strategies to “beat swords into plowshares” through conversion of the private defense industry, but also ways to privatize public entities like maintenance depots and naval shipyards.<sup>82</sup> Historians Jennifer Mittelstadt and Mark Wilson note the massive

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<sup>79</sup> Department of Defense, Base Realignment and Closure Report, April 1991, 1. [https://web.archive.org/web/20151007121509/http://www.acq.osd.mil/brac/Downloads/Prior BRAC Rounds/1991dod.pdf](https://web.archive.org/web/20151007121509/http://www.acq.osd.mil/brac/Downloads/Prior%20BRAC%20Rounds/1991dod.pdf)

<sup>80</sup> Department of Defense, Base Realignment and Closure Report, April 1991, 2. [https://web.archive.org/web/20151007121509/http://www.acq.osd.mil/brac/Downloads/Prior BRAC Rounds/1991dod.pdf](https://web.archive.org/web/20151007121509/http://www.acq.osd.mil/brac/Downloads/Prior%20BRAC%20Rounds/1991dod.pdf)

<sup>81</sup> Department of Defense, Base Realignment and Closure Report, April 1991, 1. [https://web.archive.org/web/20151007121509/http://www.acq.osd.mil/brac/Downloads/Prior BRAC Rounds/1991dod.pdf](https://web.archive.org/web/20151007121509/http://www.acq.osd.mil/brac/Downloads/Prior%20BRAC%20Rounds/1991dod.pdf)

<sup>82</sup> U.S. Congress, House, The Subcommittee On Economic Growth And Credit Formation Of The Committee On Banking, Finance And Urban Affairs, *Defense Conversion Programs In The President's*

neoliberal military privatization wave in the 1990s, convincingly arguing that “the military establishment was increasingly suffused with corporate methods and logic. Whereas in the past, uniformed military officers had often defended in-house industrial and commercial operations, during the 1990s, more of them joined the privatization bandwagon.”<sup>83</sup> BRAC certainly held a central role in the 1990s privatization wave as evidenced by a statement made by Secretary of Defense William Perry in response to the 1995 BRAC Commission’s list. In a letter to President Clinton, Perry “recommended accepting the closure list, saying his concerns about readiness and funding had been mitigated somewhat by the privatization plan.”<sup>84</sup> Military industrial, commercial, and property privatization through BRAC furthered iconic neoliberal values of government contraction, budget efficiency, and a distaste for large government investments and expenditures.

### Conclusions

Historian Gary Gerstle convincingly argues that the 2008 fiscal crisis and Great Recession permanently damaged the neoliberal consensus and embodied its downfall.<sup>85</sup> The last round of BRAC was approved in 2005 with a more modest result,

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*Fiscal Year 1994 Budget Proposal Hearings Before House Of Representatives*, 103rd Congress, First Session, April 19 and 22, 1993.

<https://congressional.proquest.com/congressional/docview/t29.d30.hrg-1993-bfu-0012?accountid=14696>

<sup>83</sup> Jennifer Mittelstadt and Mark Wilson, “The Politics of US Military Privatizations, 1945-2000,” in *The Military and the Market*, (Philadelphia: University of Pennsylvania Press, 2022), 26

<sup>84</sup> Ann Devroy and Bradley Graham, “Angry Clinton Accepts List of Base Cutbacks,” *Washington Post*, July 14, 1995. <https://www.washingtonpost.com/archive/politics/1995/07/14/angry-clinton-accepts-list-of-base-cutbacks/4c19bd91-654d-48dd-88ca-fad84232e085/>

<sup>85</sup> Gary Gerstle, *The Rise and Fall of the Neoliberal Order*, 10.

just 22 major base closures.<sup>86</sup> I submit that it is no coincidence that BRAC legislation has not garnered significant support since then. BRAC was a result of the neoliberal order and as the order waned, so did BRAC. As Keynesian policies were revived under the Obama administration, government austerity and efficiency took a backseat to federal investments in welfare, regulatory bureaucracy, and reasserting a renewed government role in the economy.

In the end, the five iterations of BRAC closed 350 military bases in total, of which 122 were major military bases that operated as “mini cities” within their regions.<sup>87</sup> This chapter started with the basic historical question: what propelled the five rounds of Base Realignment and Closure Commissions to occur? The evidence presented seeks to underscore the importance of the neoliberal consensus in BRAC’s 1988 original legislation and in its continued resilience for almost two decades. My overarching argument is that austerity politics and neoliberal government contraction need to be recentered in the BRAC history narrative. BRAC was much more than just a shift in military strategy and requirements that resulted in “Shutting down the Cold War.” The end of the Cold War certainly enlarged BRAC’s scope, but at its core BRAC embodied a period of neoliberal consensus where the military was forced to contract and embrace austerity and efficiency amid consistent budget pressures and government privatization initiatives. BRAC was a product of the 1980s neoliberal rising tide and its downfall was a result of the waning of neoliberalism in the United States. My next chapter will shift to a much different BRAC story: one of the

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<sup>86</sup> Defense Secretary’s Commission on Base Realignment and Closure, *2005 Defense Base Closure and Realignment Commission Report*, September 2005, iii. Accessed on <https://www.epa.gov/sites/default/files/documents/bracreportcomplete.pdf>.

<sup>87</sup> Michael Touchton and Amanda Ashley, *Salvaging Community*, 1.

localized impacts of BRAC in Charleston, South Carolina. It will tell a bottom-up story of Keynesian resistance and solutions in the face of the federal neoliberal consensus and show the impacts and legacy that BRAC had on base closure communities all over the United States.

## Chapter 2: “Please Don’t Take the Heart of Charleston Away:” Local Resistance to the 1993 Naval Base Closure in Charleston, SC

“My dad worked there, my grandfather worked there for a little while. But it was always, hey, if you get a job at the shipyard, you got a job for life. You got your health benefits, you’ve got your pension, and you just put your head down and do your job and you’re doing it in the service of your country.”<sup>88</sup> These words of a former shipyard worker sum up how the Charleston shipyard community viewed their work prior to closure. The decision to shutter the shipyard left 5,000 pipefitters, machinists, welders, engineers, and other shipyard employees reeling as their impending unemployment loomed. The workers left most of the resistance to the union leaders and politicians. There were no strikes and few protests. Instead, many of the disenfranchised workers turned their priorities inwards and focused on themselves, their families, and their futures by taking advantage of federal welfare and benefits. In a community that defined itself through collective patriotism and service to their nation, the closing years of 1993-1996 shook their faith in the stability of federal service and their long-held Keynesian belief that the government had their back through thick and thin. As the community slowly disintegrated, the collective turned to the individual and many workers struggled with the transition as not just their stable job, but their understanding of the world was wrenched out from under them.

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<sup>88</sup> Lonnie Cowart, Interview by Clay Verkouw, November 15, 2023.

The community of North Charleston's history is intertwined with that of the Navy yard. When the navy yard was built in 1901, North Charleston was rural, and most employees commuted from the city to the base in the early years. By 1930, North Charleston had just 2,000 residents and was focused around the shipyard. During WWII, employment exploded aboard the base and brought economic prosperity to the area, despite an issue of overcrowded housing.<sup>89</sup> By the time of official incorporation of the city of North Charleston in 1972, the population was around 50,000 and was known for its strong industrial and working class identity. The population has always had a large African American presence, with recent census statistics recording approximately 45 percent of the population was African American.<sup>90</sup> The shipyard's demographics were less African American, with about 1000 black employees at the time of closure, comprising about 17 percent.<sup>91</sup> The shipyard has always been central to the North Charleston community identity and growth and the closure announcement rocked North Charleston citizen's employment outlook.

On the other hand, as federal employees, shipyard workers were still entitled to a significant combination of welfare resources and Keynesian benefits at the time of closure. On April 1, 1995, one year before the Charleston shipyard ceased operations for good, Captain William Nold wrote an article entitled, "Commander's

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<sup>89</sup> City of North Charleston, "History & Cultural Heritage," accessed December 10, 2023, <https://www.northcharleston.org/residents/community/history-cultural-heritage/>

<sup>90</sup> City of North Charleston, "Population & Demographics," accessed December 10, 2023, <https://www.northcharleston.org/residents/community/primenorthcharleston/the-data/population-demographics/>

<sup>91</sup> Schuyler Kropf, "Shipyard lobbying 'asinine,' Ford says," *Post and Courier* (Charleston, SC), March 9, 1993.

Point of View” in the shipyard biannual newsletter, *CNSY Pride*. The Commanding Officer quoted John F. Kennedy’s famous words, “Ask not what your country can do for you – ask what you can do for your country. To apply this thought to the shipyard, I’d like to tell you what this shipyard can do for you.”<sup>92</sup> Captain Nold went on to list the federal welfare resources that were available to shipyard workers. Nold cited the Transition Center and Job Club Leaders, which provided experts who helped workers connect to reemployment resources, take advantage of early retirement and separation pay, register for unemployment insurance, write resumes, and make detailed plans for their futures. Additional funding was provided for reeducation opportunities, both tuition reimbursement for external institutions and on-site, after-hours job skills retraining.<sup>93</sup> Despite being laid off from once stable, federal jobs, these individuals were provided significantly better separation benefits than most private companies could offer. The Keynesian federal investments to aid transitioning employees and base closure communities were a federal reaction to the significant resistance to the base closure announcement revealed within this chapter.

These local stories are metaphors for a larger transition in U.S. society. As neoliberal policies like BRAC were enacted at the federal level, neoliberalism’s cold efficiency calculus was unattuned to the local impacts on communities like Charleston where military Keynesianism was deeply rooted over decades of hard work, federal investments, and stable employment. In this chapter, I will argue that local Charleston citizens’ reactions and resistance to the Charleston navy yard closure

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<sup>92</sup> Captain William F. Nold, “Commander’s Point of View,” *CNSY PRIDE*, April 14, 1995.

<sup>93</sup> Captain William F. Nold, “Commander’s Point of View,” *CNSY PRIDE*, April 14, 1995.

in newspapers, letters, base closure hearings, and interviews reflect a widespread popularity of the military base in their community and a belief that employment was a right of American citizens. BRAC's arrival in Charleston amounted to a serious economic crisis and existential threat to many in the community. Their resistance to the closure reflected how deep the yard's roots intertwined with local culture and identity. Furthermore, their arguments revealed strong Keynesian values, most notably, that the government maintained a primary responsibility for economic prosperity, reasonable levels of employment, and citizens' economic welfare. The Charleston navy yard closure was a battleground of Keynesian and neoliberal values, as the local symbol of Keynesian ideals and economic prosperity was shuttered in an era of neoliberal austerity and government contraction.

Furthermore, this chapter will nuance narratives of the military industrial complex that argue it is sustained largely by collusion of military, political, and business elites.<sup>94</sup> This local story shows a very different side of the military industrial complex, one where it's installations are widely popular and fought for from the bottom-up. Charleston shipyard workers fought hard to keep their military base and naval industrial jobs. Virtually no one at the local level thought the base closure was a good idea or would benefit their community. This chapter will illuminate the bottom-up resilience of Charleston's military industry, which will counter claims that the

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<sup>94</sup> C. Wright Mills, *The Power Elite*, (New York: Oxford University Press, 1956), Seymour Melman, *The Permanent War Economy: American Capitalism in Decline*, (New York: Simon and Schuster, 1974), Paul Koistinen, *State of War: The Political Economy of American Warfare, 1945-2011*, (Lawrence, Kan.: University Press of Kansas, 2012), James Ledbetter, *Unwarranted Influence: Dwight D. Eisenhower and the Military-Industrial Complex*, (New Haven: Yale University Press, 2011), Alex Roland, *Delta of Power: The Military-Industrial Complex*, (Baltimore: John Hopkins University Press, 2021), and Rebecca Thorpe, *The American Warfare State: The Domestic Politics of Military Spending*, (Chicago: University of Chicago Press, 2014).

military industrial complex is a drain on the American economy and sustained by colluding elites.

*“A Job for Life:” The Charleston Naval Shipyard History and the Workers’ Closure Experience*

The naval shipyard in Charleston was symbolic of the longer history of the region’s naval and economic traditions. As a local historian argues convincingly, “from its very beginning, Charleston has been inexorably linked with the sea.”<sup>95</sup> Since the early 1800s, Charleston was a major seaport in the British colonies with its large, natural harbor and plantation trade goods. Since then, it has deep roots as a naval homeport, serving the British Navy, the revolutionary South Carolina Navy, and then the new Federal Navy, with one of the first U.S. naval vessels, the 28-gun frigate, the *John Adams*, built in Charleston in 1799.<sup>96</sup> In 1861, the American civil war’s first shots were fired in the Charleston harbor at Fort Sumter and the port served the Confederate Navy throughout. However, the Civil War left Charleston seriously damaged, impoverished, and struggling for decades after the wartime Union blockade of the port, Sherman’s siege of the city, and the permanent disruption of the slave and plantation trade.<sup>97</sup> In 1901, with some convincing from Charleston mayor J. Adger Smyth and South Carolina governor Ben Tillman, the Department of the Navy established the largest naval yard in the American South on over 1,000 acres of public park, plantation, and marshlands just north of Charleston, ushering in decades of

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<sup>95</sup> Jim McNeil, *Charleston’s Navy Yard*, (Charleston, SC: Naval Civilian Administrators Association, 1985), 3.

<sup>96</sup> Jim McNeil, *Charleston’s Navy Yard*, 10.

<sup>97</sup> Jim McNeil, *Charleston’s Navy Yard*, 11.

economic growth in the region and plant the roots for almost a century of stable military Keynesianism in Charleston.<sup>98</sup>

The dry dock construction at the new navy yard finished in 1909 and shortly after, employment ballooned to over 10,000 workers and sailors on the Charleston yard and adjacent station during World War I. The wartime naval presence expanded with the establishment of a naval training camp, a naval clothing factory, a thousand-bed naval hospital, and increased ship-building requirements.<sup>99</sup> Work predictably waned during the interwar period and the local Chamber of Commerce and politicians fought off a closure announcement by the Department of the Navy in 1922. Employment on the yard dwindled to just around 500 workers and sailors from 1924-1933.<sup>100</sup> During the Great Depression, the navy yard became a visible symbol of Keynesian policies as Roosevelt's Work Projects Administration (WPA) completed dozens of large public works projects on the base. Thousands of unemployed Charlestonians were put to work building new piers, paving roads, improving infrastructure, expanding the machine and structural shops, and constructing many of the buildings that still can be seen there today.<sup>101</sup>

World War II accelerated work on the yard massively, making the navy yard "the largest employer, public or private, that the state [of South Carolina] has ever known." Hundreds of destroyers and landing craft were built. Hundreds more ships were repaired or repurposed. A new dry dock was built. New piers were erected. New buildings popped up and over one hundred new acres were purchased by the Navy to

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<sup>98</sup> Jim McNeil, *Charleston's Navy Yard*, 40.

<sup>99</sup> Jim McNeil, *Charleston's Navy Yard*, 57

<sup>100</sup> Jim McNeil, *Charleston's Navy Yard*, 77.

<sup>101</sup> Jim McNeil, *Charleston's Navy Yard*, 78-79 and 85-88.

meet expanding wartime needs. Employment onboard the yard exploded to encompass more than 25,000 workers at its peak in 1943. Workers flooded to Charleston from all over the state. Thousands of sailors, marines, and soldiers were brought to Charleston as well on ships, aircraft, and stretchers. From 1940-1950, Charleston's metropolitan area's population expanded from 121,105 to 164,856 (an increase of 36%) and it was reported to be over 200,000 during peak war years.<sup>102</sup> Much of what is now the city of North Charleston was built to meet housing requirements of the wartime navy yard.<sup>103</sup> As thousands of shipyard workers joined the military and employment needs continued to expand, thousands of women and African Americans were employed at the yard.<sup>104</sup> In 1943, the navy yard reported 25.9% of its workforce was black and although an official statistic is elusive, there is evidence that thousands of women took jobs at the yard as well.<sup>105</sup> The navy yard made a colossal impact on Charleston in every way with a revitalized economy, changed demographics, a more diverse and patriotic culture, and a completely new city born in North Charleston that embodied working class, Keynesian, and military values.

In the post-war years, Navy yard employment expectedly contracted, with women and African Americans bearing the brunt of the layoffs, but the military and manufacturing presence would prove resilient in the Cold War era. In the early post-

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<sup>102</sup> Fritz Hamer, "Giving a Sense of Achievement: Changing Gender and Racial Roles in Wartime Charleston: 1942-1945," *Scholar Commons*, (Columbia, SC: University of South Carolina, 1997), 69. [https://scholarcommons.sc.edu/cgi/viewcontent.cgi?referer=https://scholar.google.com/&httpsredir=1&article=1030&context=lib\\_facpub](https://scholarcommons.sc.edu/cgi/viewcontent.cgi?referer=https://scholar.google.com/&httpsredir=1&article=1030&context=lib_facpub)

<sup>103</sup> Jim McNeil, *Charleston's Navy Yard*, 100.

<sup>104</sup> Jim McNeil, *Charleston's Navy Yard*, 100.

<sup>105</sup> Fritz Hamer, "Giving a Sense of Achievement," 67.

war years, the yard turned to decommissioning and scrapping hundreds of naval vessels. Then in 1948, the navy officially designated the Charleston yard as a submarine yard with local leaders fighting off another proposal to close the shipyard in 1949.<sup>106</sup> The yard gained further importance building nuclear submarines starting in the early 1960s. Shipyard employment would hover between four and ten thousand throughout the Cold War era.<sup>107</sup> Despite various rumors, the successful resistance of closure twice before and the seemingly permanent place the navy yard held in Charleston's identity convinced Charlestonians that the yard was there to stay. This all would change in 1993.

BRAC closed four of the Navy's eight public shipyards, with Navy yards closing in Philadelphia, PA in 1991, Mare Island, CA (just north of San Francisco) and Charleston, SC in 1993, and Long Beach, CA in 1995. Each shipyard community resisted the closures, with Pennsylvania Senator Arlen Specter even arguing against the Philadelphia closure before the Supreme Court in the 1994 case, *Dalton v. Specter*, in which he was ruled against.<sup>108</sup> In the end, no politicians' or local resistance were an effective deterrent to neoliberalism's cold-hearted BRAC efficiency data. BRAC closed the shipyards and laid off tens of thousands of high-paying, stable federal workers as the Navy wound down from the Reagan administration's strategic plans for a "600 ship Navy" and had outsourced all their naval shipbuilding to private companies by the 1970s following a report that private-

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<sup>106</sup> Jim McNeil, *Charleston's Navy Yard*, 146-147.

<sup>107</sup> Jim McNeil, *Charleston's Navy Yard*, 147-148.

<sup>108</sup> *Dalton v. Specter*, 511 U.S. 462 (1994), <https://supreme.justia.com/cases/federal/us/511/462/>

sector shipyards were 30-40 percent more efficient.<sup>109</sup> This private sector preference for the naval shipyard work was compounded by a 1984 “Public and Private Shipyard Competition Program” which allowed public and private shipyards to bid against each other for contracts.<sup>110</sup> This neoliberal valorization of private sector efficiency left federal shipyard employees out to dry as BRAC shuttered half of the public shipyards in the 1990s.

Charleston’s laid-off workers were in a unique position because Charleston was a relatively small regional economy with a small manufacturing footprint compared to the other closing naval shipyards. This meant few opportunities for rehiring in the Charleston area. A report by the Center of Naval Analyses (CNA) published in 1995 at the request of the Assistant Secretary of the Navy (Installations and Environment), researched recommendations to ease challenges to local communities and reuse possibilities for Naval Shipyards closing as part of BRAC.<sup>111</sup> The report noted that in 1994, Charleston’s total employment was 208,000 jobs with only 20,000 manufacturing positions, of which, twenty-two percent were located at the Naval Shipyard.<sup>112</sup> Despite a below national-average unemployment rate and a growing regional economy, the small Charleston industrial base and the almost

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<sup>109</sup> Naval History and Heritage Command, “US Ship Force Levels 1886-present,” Nov 17, 2017, <https://www.history.navy.mil/research/histories/ship-histories/us-ship-force-levels.html>. Tim Colton and LaVar Huntzinger, “A Brief History of Shipbuilding in Recent Times,” CNA Report, September 2002, p. 13, [https://www.cna.org/CNA\\_files/PDF/D0006988.A1.pdf](https://www.cna.org/CNA_files/PDF/D0006988.A1.pdf)

<sup>110</sup> United States Government Accounting Office, “Navy Maintenance Assessment of the Public and Private Shipyard Competition Program,” May 1994, (GAO/NSIAD-94-184), <https://www.gao.gov/assets/nsiad-94-184.pdf>

<sup>111</sup> Albert W Deckel, Martha Koopman, and John D Keenan, *Conversion of Naval Shipyards to Commercial Shipyards*, (Alexandria, VA.: Center for Naval Analyses, November 1995).

<sup>112</sup> Albert W Deckel, Martha Koopman, and John D Keenan, *Conversion of Naval Shipyards to Commercial Shipyards*, 16.

quarter of that industrial base taken out by the shipyard closure meant that most Charleston workers had to lean on retraining, relocation, or early retirement.<sup>113</sup>

The CNA report gives direct evidence of this trend, with worker outcome statistics from Sept 1993 to June 1995. Over forty percent of Charleston shipyard employees who left the shipyard during this period took advantage of the Department of Defense (DoD) Priority Placement Program (PPP), which would transfer shipyard workers to another DoD job in different location and fund their family's moving expenses. Charleston workers' utilization of PPP well out-paced the percentages from other closed naval shipyards. Of these Priority Placement workers, only twenty-two percent of the placements were in the Charleston area, meaning thousands of employees were transferred to federal jobs in other states.<sup>114</sup> Lonnie Cowart, a pipe-fitter, then nuclear inspector, and nuclear engineering technician on the Charleston yard from 1977-1996, spoke of his temporary move to Norfolk, VA through PPP. Cowart left his family in Charleston and "commuted" from Charleston to Norfolk each week for a year and a half to continue work as a nuclear engineer before he was able to complete a job swap to Naval Electronics Systems Engineering Center (NAVELEX), which was one of the few naval entities which survived BRAC in Charleston and will be discussed in the next chapter of the paper.<sup>115</sup> These types of moves were common for active duty military, however, they took a harder toll on

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<sup>113</sup> Albert W Deckel, Martha Koopman, and John D Keenan, *Conversion of Naval Shipyards to Commercial Shipyards*, 19-21.

<sup>114</sup> Albert W Deckel, Martha Koopman, and John D Keenan, *Conversion of Naval Shipyards to Commercial Shipyards*, 32.

<sup>115</sup> Lonnie Cowart, Interview by Clay Verkouw, November 15, 2023.

many unexpecting shipyard families, with many never returning to Charleston like Cowart did.

Another twenty to twenty-five percent of Charleston shipyard workers took advantage of Voluntary Early Retirement or Voluntary Separation Incentive Program.<sup>116</sup> These federal welfare benefits enabled older workers to retire with an increased pension and cost the Navy millions of excess dollars, an expensive consequence of BRAC, intended as a federal cost-saving measure. The early retirement and separation packages for thousands of employees show that the Navy still felt a responsibility towards these loyal federal employees' welfare and individual financial stability, despite the closure of the shipyard.

Lastly, an estimated 1,000 shipyard employees completed retraining programs to transfer into other career fields. The CNA report states the most common retraining fields were environmental technician, HVAC, building maintenance, electronics, computer-aided design, and micro-computer technician. These common career changes were sensible based on the Navy jobs remaining in Charleston in the post-closure years. The Navy remained responsible for the base property until all environmental requirements and building transfers were complete, some of which took decades. Environmental technicians and building maintenance representatives were carried over by the Navy for years after 1996 through Naval Facilities Command (NAVFAC). One former shipyard employee, Rick Brown, was hired by the Charleston BRAC liaison office (a sub-department of NAVFAC) as a building

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<sup>116</sup> Albert W Deckel, Martha Koopman, and John D Keenan, *Conversion of Naval Shipyards to Commercial Shipyards*, 32.

manager. He was grateful to stay in the area and transitioned seamlessly into working for NAVFAC to one of the base's private anchor tenants, CMMC, discussed in a later section. *The Post and Courier* ran a story in 1996 about former shipyard employees that stayed after hours for on-hands retraining to become welders for a future, private shipyard tenant as well.<sup>117</sup> These retraining and reeducation benefits were luxuries not afforded to most private employees, yet these federal employees were able to take advantage of unique, government benefits to ease their transitions. This last dose of Keynesian welfare was evidence of the resilient bond between federal shipyard work and Keynesian policies.

Despite the effective and well-utilized federal assistance programs, the three years between the closure announcement and the official end of Navy operations at the Naval Base was a painful and trying time. In a recent oral history interview, Cowart remembered how it got so bad for some of his fellow employees that they took their own lives.<sup>118</sup> Cheryll Woods-Flowers, mayor at the time of the nearby town of Mount Pleasant, emphasized the toll it took on local families, resulting in many divorces.<sup>119</sup> As the shipyard prepared for closure, many workers felt dejected, betrayed, and even vindictive as their faith in the collective disintegrated and their “job for life” disappeared.

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<sup>117</sup> Charles Williams, “Workers see retraining as the road to a secure future,” *Post and Courier* (Charleston, SC), October 14, 1996, <https://www.proquest.com/newspapers/workers-see-retraining-as-road-secure-future/docview/373785269/se-2>.

<sup>118</sup> Lonnie Cowart Interviewed by Navy Yard Charleston in “Dedicated to the Fleet: The Future,” April 6, 2023, <https://www.youtube.com/watch?v=xPyWF6YNxT8&t=1s>.

<sup>119</sup> Cheryll Woods-Flowers, Interviewed by Navy Yard Charleston in “Dedicated to the Fleet: The Future,” April 6, 2023, <https://www.youtube.com/watch?v=xPyWF6YNxT8&t=1s>.

These emotions are on display based on stories and vignettes from the closure years. The final issue of the shipyard newsletter included a page-length article entitled, “Employee Reminders” which started, “In the environment of closure, many things about our jobs and the way we do business have changed drastically... Unfortunately, in some recent cases several employees forgot rules have not changed and received disciplinary action for offenses.”<sup>120</sup> The offenses listed include falsely reported overtime, employees on sick leave working for private companies, employees submitting safety equipment purchases for reimbursement and then returning the equipment while collecting the reimbursement, and supervisors failing to report subordinates’ unlawful behavior. One can imagine that the shipyard workers may have seen their actions as a type of resistance to federal ambivalence toward their careers and livelihoods.

Additional stories reported by numerous oral histories recall shipyard employees taking part in excessive material waste. Ordered to clean out the shipyard facilities but not knowing where to move the tools, equipment, and supplies, shipyard workers threw away virtually everything in roll-away dumpsters including countless thousands of dollars of tools, air conditioners, business supplies, and other material.<sup>121</sup> It is also true that closing a naval shipyard was an exceptionally rare occurrence, with very few precedents in the history of U.S. Navy. Therefore, closure administrators encountered many unique problems and learned new lessons. The transfer of tools and equipment was indeed one of those problems. Tony Grassia, a

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<sup>120</sup> “Employee Reminders,” *CNSY Pride*, December 20, 1995.

<sup>121</sup> Loy Stewart Jr, Interview by Clay Verkouw, October 26, 2023.

shipyard foreman heavily involved in the closure preparations at the Philadelphia naval shipyard which occurred during the same period as the Charleston closure, recalled that all federal organizations with a federal tax identification number were invited to come and pick up equipment and tools, however, there was a transportation issue. The shipyard had no vehicles or funding to ship these items and they were on a tight timeline, so much of the shipyard material went into dumpsters.<sup>122</sup> Therefore, this material waste, interpreted by some as ambivalence of resigned shipyard employees, was really just the nature of the BRAC process in many locations.

On April 1, 1996, the Charleston Naval Shipyard held its official closing ceremony, a day of reflection and nostalgia for many in the community. By that point, all the ships had departed, the last of which, the destroyer USS Nicholson, finished overhaul in September 1995.<sup>123</sup> There were only a few hundred staff still on site, one of which was the most tenured worker at the shipyard, Hilda Kizer, who started in 1944 as a 16-year-old clerk-typist and worked her way up to assistant chief of staff for administration.<sup>124</sup> Kizer reflected on all the shipyard community had gone through in her 52 years of service: 26,000 employees conducting World War II ship repairs and construction, the first nuclear submarine overhauls in the 1960s, and the devastation of Hurricane Hugo in 1989. Kizer “never dreamed” that the Navy would close the naval base and shipyard, but suddenly it was a “ghost town.”<sup>125</sup> At the

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<sup>122</sup> Anthony Grassia, Interview by Clay Verkouw, August 18, 2023.

<sup>123</sup> Terry Joyce, "Victories Overshadow Stormy Past," *Post and Courier* (Charleston SC), Sep 29, 1995, <https://www.proquest.com/newspapers/victories-overshadow-stormy-past/docview/373699031/se-2>

<sup>124</sup> Terry Joyce, "Deserted Base Ready for Reuse" *Post and Courier* (Charleston SC), Mar 16, 1996. <https://www.proquest.com/newspapers/deserted-base-ready-reuse/docview/373753706/se-2>.

<sup>125</sup> Terry Joyce, "Deserted Base Ready for Reuse," *Post and Courier* (Charleston SC), March 16, 1996, <https://www.proquest.com/newspapers/deserted-base-ready-reuse/docview/373753706/se-2>.

federal level, the shipyard closure fit their neoliberal logic as it would save federal dollars, reduce excess military capacity, and open the way for more shipyard repair outsourcing to the free-market private sector. Yet at the local level, the closure of the beloved Charleston Naval Shipyard represented a fundamental rewriting of the rules that they lived by for decades and the military Keynesianism which was the lifeblood of their community. The peeling paint, overgrown grass, and empty parking lots were symbolic of more than just a shuttered shipyard, it symbolized the broken promise that “when you got a job at the shipyard, you got a job for life.”<sup>126</sup>

*“Like Abraham Bringing Isaac to the Altar:” Local Newspaper Coverage and Editorials During Closure*

On February 26, 1993, South Carolina Senator Fritz Hollings broke the news in a press conference to Charlestonians that their naval base and shipyard were on the 1993 proposed base closure list.<sup>127</sup> In the handful of months between Senator Hollings’ initial press release that leaked the fore-coming naval exodus from Charleston and the official announcement by the BRAC Commission, the local and national newspaper coverage of the story reveal the extent of the deeply felt catastrophic trauma of the closure to the people of North Charleston. “This is probably the worst disaster that’s happened to Charleston in my lifetime,” remarked 90 year old Senator Strom Thurmond, R-S.C.<sup>128</sup> A survey the newspaper coverage of

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<sup>126</sup> Lonnie Cowart, Interview by Clay Verkouw, November 15, 2023.

<sup>127</sup> “Hollings discusses base,” *Post and Courier* (Charleston, SC), February 25, 2013, [https://www.postandcourier.com/news/hollings-discusses-base/article\\_6c6b42d9-18de-5c1c-8ee4-675036a96f3b.html](https://www.postandcourier.com/news/hollings-discusses-base/article_6c6b42d9-18de-5c1c-8ee4-675036a96f3b.html).

<sup>128</sup> Terry Joyce, “SCUTTLED: Double Hit closes Charleston yard, base,” *Post and Courier* (Charleston, SC), June 26, 1993.

the base closure reveals the almost apocalyptic sense of doom, grief, and betrayal felt by Charleston residents and politicians as they struggle to cope with the fact that their democratically elected government would allow what they viewed as a federally-sanctioned death sentence. The editorials, headlines, and diverse quotations that local citizens wrote and read show the extent to which Charleston grieved the impending loss of their military community and struggled to comprehend the political forces that sacrificed their local identity and welfare.

On March 4, 1993 the *Post and Courier* published a full page of Letters to the Editor entitled, “Threat of naval facility closure sparks letters,” and included twelve letters which embodied the diverse initial set of expectations and arguments of resistance pronounced by local residents. There were some common themes among these letters which spoke to the expectations and mentalities of Charlestonians at the time. The first common theme were angry appeals to a sense of regional fairness and equity in the spread of government military dollars. Larry Ledbetter’s “angry, heartfelt letter” entitled “Close base in Japan” references a naval shipyard in Japan which is overloaded with ship repair work as evidence for his claim, “I suggest that our Navy yard employees are getting shafted!”<sup>129</sup> Multiple other letters indignantly suggest preferential treatment for a relatively newly constructed base in Ingleside, TX that was expected to receive the Fleet Mine Warfare Command along with all the Minesweeper ships stationed in Charleston, with one writer calling Ingleside, “Uncle Sam’s new playpen.”<sup>130</sup> These protests used Charleston’s hundred year naval tradition

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<sup>129</sup> Larry Ledbetter, Letters to the Editor, “Close base in Japan,” *Post and Courier* (Charleston, SC), March 4, 1993.

<sup>130</sup> David Morgan II, Letters to the Editor, “Closure Inevitable,” *Post and Courier* (Charleston, SC), March 4, 1993.

and service as rationale for saving the naval station and shipyard. Another letter advocated for realigning naval commands and facilities from Florida, Indiana, and Connecticut to Charleston, using logic like, “The people of Orlando don’t depend on the Navy as we do” and that the naval ammunition storage in Indiana “should be done on the coast, not in some cornfield in Indiana.”<sup>131</sup> A later editorial entitled, “Surviving Navy’s abandonment,” argued that California facilities were saved by the Secretary of Defense because “a five percent job loss to a community would be unacceptable” yet struggled to see how this logic could justify closing the Charleston base which would result in estimated 11.4 percent regional job loss.<sup>132</sup> The thoughts of these locals clearly evoked their belief in fair and equitable investment in local economies throughout the US and supported political decisions privileging Keynesian values like longevity of service, citizen welfare, and naval tradition over neoliberal values like efficiency, austerity, and free-market preference.

Another common thread found throughout the *Post and Courier* editorials was a firm expectation that the South Carolina representatives had a responsibility to save the shipyard. This Keynesian belief derived from the sense that government officials had a duty to manage the economic well-being of their community. One short letter by Stella Grady believed in her political representatives saying, “The shipyard will not close, Sen. Hollings and Mayor Riley will see to that. Don’t worry!”<sup>133</sup> Another titled “Where were senators?” was much more critical, starting, “Undoubtedly many

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<sup>131</sup> Dave Harvey, Letters to the Editor, “Sell us the Shipyard,” *Post and Courier* (Charleston, SC), March 4, 1993

<sup>132</sup> Larry Tarleton, Editorials, “Surviving Navy’s Abandonment,” *Post and Courier* (Charleston, SC), June 26, 1993.

<sup>133</sup> Stella Grady, Letters to the Editor, “Shipyard is Safe,” *Post and Courier* (Charleston, SC), March 4, 1993.

of us have been appalled at the seeming lack of action of our two senators to keep our naval facility in Charleston.”<sup>134</sup> A third approach advocated the government representatives to engage in a “give and take” strategy, sacrificing the shipyard but convincing the Navy to “sell it to us for \$1” and make it a civilian shipyard.<sup>135</sup> Although their letters vary in tone and detail, all the editorial writers seemed confident in one thing, that the government representatives were responsible for solving this issue and shepherding the Charleston economy through this crisis, one way or another.

Similarly pervasive throughout the editorials and newspaper headlines in 1993 was a widespread sense of betrayal and helplessness. An article comprised of shipyard worker interviews described the community as taking “a direct hit psychologically,” with an interviewee saying, “You’re talking about a community going up in smoke.”<sup>136</sup> A Charleston industrial leader, Martin Crandall, was quoted on the front page describing the Navy’s strategy, “Slash and burn, reduce it to rubble, that’s their plan.” Another frontpage quote from a shipyard leader remarked, “This is the worst thing that could have happened to us. It leaves us hanging out to dry.”<sup>137</sup>

Much of the newspaper coverage compared the base closure to Hurricane Hugo, which wreaked havoc to the Charleston area just a four years before in 1989.<sup>138</sup>

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<sup>134</sup> David Farr, Letters to the Editor, “Where were Senators,” *Post and Courier* (Charleston, SC), March 4, 1993.

<sup>135</sup> Dave Harvey, Letters to the Editor, “Sell us the Shipyard,” *Post and Courier* (Charleston, SC), March 4, 1993

<sup>136</sup> Robert Behre, “Shipyard Workers disappointed by vote,” *Post and Courier* (Charleston, SC), June 26, 1993

<sup>137</sup> Terry Joyce, SCUTTLED: Double Hit closes Charleston yard, base, *Post and Courier* (Charleston, SC), June 26, 1993

<sup>138</sup> Robert Behre, “Agencies prepare to offer services,” *Post and Courier* (Charleston, SC), March 15, 1993.

Comparing the base closure to the worst natural disaster in the recent history of South Carolina highlights the irony of a federally sanctioned catastrophe. Many Charleston residents felt betrayed and helpless as their nation abandoned them economically and pulled out from under them the military Keynesianism on which their livelihoods depended.

Even the BRAC Commissioners understood the dire circumstances in Charleston. BRAC Commission Chairman Jim Courter's phrase was quoted all over the local news, "nuclear warfare on Charleston," which showed that Charleston residents were not being overly dramatic. "Like Abraham bringing Isaac to the altar," read a quote on the front page by Harry McPherson Jr., another BRAC Commissioner who voted to close Charleston base and naval shipyard.<sup>139</sup> McPherson's biblical reference to sacrifice and Courter's nuclear analogy reflected how Charleston locals largely felt that the naval base closure was an unjust, government sanctioned, economic crisis for the region. Moreover, their sense of betrayal highlighted the deep-seated reliance on military economic investment to the region and the strong Keynesian expectations that the government had a responsibility for their economic welfare. Overall, the newspaper coverage makes it clear that Charlestonians felt strongly about saving their shipyard and believed that their local officials could and would solve this problem. The naval base and the economic stability it brought had become deeply engrained in Charleston's identity as a community and retaining the

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<sup>139</sup> Terry Joyce, "SCUTTLED: Double Hit closes Charleston yard, base," *Post and Courier* (Charleston, SC), June 26, 1993.

base was overwhelmingly popular and important to the local population and politicians.

*“Dear Mr. Aspin:” Local Students’ Letters to the Secretary of Defense*

On March 8-10, 1993 hundreds of students from the North Charleston Elementary and Middle Schools wrote letters addressed to Secretary of Defense Les Aspin at the Pentagon pleading for him to save the Charleston Naval Shipyard. In the early days of closure rumors and announcements, young students struggled to come to terms with the economic and political forces that were genuinely threatening their community, families, relationships, and schools in North Charleston.

There is something refreshingly simple about hearing young peoples’ rationales in their resistance to the shipyard closure that cuts to the core of Charlestonian’s expectations. Students defended the shipyard with a diverse set of rationale, but the most common refrain was that their family, neighbors, and friends would lose their jobs and move away, and this would hurt them personally and their community writ large. Many students understood the larger economic impacts of such demographic changes to Charleston. James Simpson explained in simple terms the microeconomic concerns of the Charleston community, “The economy will go down because if people do not make money, then people cannot spend money. Storeowners or any type of business will go down the tubes because of the lack of business.”<sup>140</sup>

Student Ryan Foster wrote about the potential housing and urban crisis which worried

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<sup>140</sup> James Simpson, Letter to Secretary of Defense Les Aspin, March 10 1993; Box 18; Program Files Relating to Base Realignment and Closure (BRAC), January 1, 1992–December 31, 1993; Record Group 428: General Records of the Department of the Navy; National Archives at College Park, MD.

many Charleston residents, “If there’s no people, there’s no ownership, no ownership, no taxes, and no taxes means no money.”<sup>141</sup> These students’ simply worded concerns were representative of the larger anxieties of Charleston residents. They desperately sought to avoid this federally precipitated local economic and urban crisis by stopping the base closure and retaining the largest employer in the state. Any other outcome would be a disaster.

Another student’s letter points out the irony of base closure amidst the unemployment woes of the early 1990s. Alert of the greater national worries about the high unemployment rate, Jason Goodson pointed out, “I thought we wanted to create jobs. We’re not doing that, we’re cutting jobs.”<sup>142</sup> Jason Goodson obviously did not know what Keynesian economics was as a middle schooler, yet his statement reflects basic Americans’ understanding of a key government responsibility throughout the twentieth century, to create jobs and ensure reasonable levels of employment. The Charleston base closure betrayed these Keynesian expectations of the federal government’s role in stimulating employment and left Charleston residents confused. The micro-level impacts and resistance to austerity politics complicates the greater narrative of a neoliberal Washington Consensus.

Many of the children simply pleaded for some community agency in the federal decision-making process that seemed so harsh and removed from the actual community affected. April Sykes put it bluntly, “The reason I’m writing you is

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<sup>141</sup> Ryan Foster, Letter to Secretary of Defense Les Aspin, March 8 1993; Box 18; Program Files Relating to Base Realignment and Closure (BRAC), January 1, 1992–December 31, 1993; Record Group 428: General Records of the Department of the Navy; National Archives at College Park, MD.

<sup>142</sup> Jason Goodson, Letter to Secretary of Defense Les Aspin, March 9, 1993; Box 18; Program Files Relating to Base Realignment and Closure (BRAC), January 1, 1992–December 31, 1993; Record Group 428: General Records of the Department of the Navy; National Archives at College Park, MD.

because I would like a say in what is going on.” She then suggests that it is put to a democratic vote in Charleston to decide the naval base’s future.<sup>143</sup> Keeping the naval base open was virtually unanimous in Charleston, yet residents like April were frustrated that they had no direct vote in the decision despite living in a democratic state. Instead, residents were forced to turn to local public-private partners, like the “Save Charleston” organization to fight for them, using money and efficiency logic to lobby Washington, representative of the turn from Keynesianism to neoliberal politics.

Although these students’ letters did not prevent the closure of Charleston’s naval base and shipyard, the Department of the Navy thought these letters significant enough to file in their BRAC folders at the National Archives and include in the BRAC historical narrative. The students’ letters showed the engrained expectations of military base communities, sustained by decades of federal economic stimulus and military Keynesianism. Their letters reflect the local atmosphere of betrayal, frustration, and confusion with the contradictory logic of austerity politics and the peace dividend at the local level: save defense dollars to give back to domestic programs, but in doing so, the economic lifeblood of your region is taken away.

The Secretary of Defense’s office responded to every student with a letter explaining that hard decisions were being made and promised that the federal government and Office of Economic Adjustment would “help workers find new jobs, and provide

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<sup>143</sup> April Sykes, Letter to Secretary of Defense Les Aspin March 9 1993; Box 18; Program Files Relating to Base Realignment and Closure (BRAC), January 1, 1992–December 31, 1993; Record Group 428: General Records of the Department of the Navy; National Archives at College Park, MD.

retraining and financial help.”<sup>144</sup> This kind of local activism and resistance ensured that policy-makers in Washington were aware of the inconsistencies of the national narrative of the post-Cold War “peace dividend” which negatively impacted military base closure communities. These promises of retraining, unemployment benefits, and federal economic stimulus were not empty promises. Later I will investigate tangible federal assistance programs and Keynesian solutions that were approved, in part, because of local activism and resistance like the North Charleston school letters of 1993.

*“In Defense of Charleston:” May 1993 BRAC Hearings and Local Arguments*

*Resisting Base Closure*

On May 1-2, 1993, the BRAC Commission sent five of their eight members to Charleston for an in-person hearing. In preparation, Charleston assembled a mixed public/private organization, named “In Defense of Charleston,” sponsored by local politicians and the tri-county Chamber of Commerce. “In Defense of Charleston” hired military and economic consultants and accumulated a “war chest” of \$600 million dollars to fight the proposed closure of Charleston’s naval installations.<sup>145</sup> The defenses mounted at the Charleston BRAC hearing included a mix of neoliberal arguments littered with efficiency data and frugality statistics, as well as Keynesian

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<sup>144</sup> Charles Nempfakos, Acting Chairman, Base Structure Evaluation Committee, Letter reply to Robbie White, 23 June 1993; Box 18; Program Files Relating to Base Realignment and Closure (BRAC), January 1, 1992–December 31, 1993; Record Group 428: General Records of the Department of the Navy; National Archives at College Park, MD.

<sup>145</sup> William Claiborne and Kent Jenkins Jr, “Charleston Hit Hard by Military Base-Closing Panel,” *The Washington Post*, June 23, 1993, <https://www.washingtonpost.com/archive/politics/1993/06/26/charleston-hit-hard-by-military-base-closing-panel/2f36b15d-6d55-44f2-9ac5-4dadf2deb553/>.

pleas to save the local economy and the tens of thousands of jobs the federal government provided to the area. This May 1993 hearing and the presentations given served as a crucial window to see that the neoliberal economic policy consensus in Washington was not much of a consensus at all in local communities like Charleston. These hearings embodied a local fusion of neoliberal and Keynesian rationale endorsed by a diverse cohort of public and private Charleston community members.

Recent works on neoliberal reform in cities like New York in the 1970s argue that neoliberalism was not just a new conservative age where rightwing politicians, free market zealots, and wealthy businessmen seized control in a fiscal crisis. Instead, authors like Kim Phillips-Fein and Benjamin Holtzman argue that neoliberal ideas were often implemented from the bottom-up by liberals as well as conservatives, arguing that there was a total “shifting of the common ground in American politics.”<sup>146</sup> Here I will argue that the Charleston base closure and BRAC hearings even further complicate that narrative. I will show ironic examples like a Republican Governor arguing for continued substantial government intervention in his state’s economy and a labor union leader using efficiency statistics and cost-saving arguments to convince the commission to close another unionized federal shipyard instead of his shipyard. I hope to draw out the irony of their arguments in an era of supposed “Neoliberal Consensus,” and show that at the local level, American’s had decidedly mixed feelings about the government’s role in economic welfare and the

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<sup>146</sup> Kim Phillips-Fein, *Fear City: New York’s Fiscal Crisis and the Rise of Austerity Politics*, (New York: Metropolitan Books, 2017), 9.

end of military Keynesian policies in their community. All ideological loyalties went out the window when the local economy was undergoing a crisis.

On May 1, 1993, The *Post and Courier* published a two-page profile on Joseph Noisette, the union president at the Charleston Naval Shipyard who was chosen to defend the shipyard in front of the BRAC Commissioners. The profile described Noisette as a family man, a devout Catholic, an avid body-builder, and a long-time, hardworking federal employee of 20 years.<sup>147</sup> As the local union president, his presence as a speaker at the BRAC hearing was a kind of Keynesian tactic, showing the Commission the face of an exemplary, lifelong federal employee that they would be laying off if they closed the base in Charleston. Neoliberal economic policy generally discouraged unions and their negative impacts on free markets. Yet, unexpectedly Noisette's presentation was almost exclusively about efficiency data and federal cost-saving measures. Noisette argued that the Navy claimed it had an excess of 3.9 million man-days annually and that closing the shipyards in Portsmouth, NH or Norfolk, VA would be more efficient for achieving the desired shipyard man-days and that Charleston's closure would not get close to that number as a smaller shipyard.<sup>148</sup> That a federal shipyard union leader was advocating cutting more federal union jobs is truly ironic and exemplified the power of local politics over economic ideals. Additionally, he argued that based on the Navy and BRAC metrics for "military value," the Charleston shipyard ranks well above Portsmouth's shipyard and transferring Charleston's ship workload to Norfolk and Portsmouth would "cost the

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<sup>147</sup> Prentiss Fendlay, "Joseph Noisette," *Post and Courier* (Charleston, SC), May 1, 1993, pg 1-E and 3-E.

<sup>148</sup> Terry Joyce, "Navy figures on nuclear capability flawed," *Post and Courier* (Charleston, SC), May 2, 1993.

taxpayers millions.”<sup>149</sup> Noisette, presumably picked as the face of Keynesian labor ideals, ended up using neoliberal rationale in his presentation, urging maximum federal efficiency, cutting more federal union jobs elsewhere, and prioritizing federal savings.

On the flipside, local politicians pleaded to keep the federal jobs and spending in Charleston. Republican governor, Carroll Campbell Jr. and Charleston Mayor, Democrat Joseph Riley Jr. both stressed the disastrous economic impact of the base closures on Charleston. Governor Campbell argued that this federal divestment would send South Carolina unemployment above the national average and lose \$185 million in state tax revenue and \$200 million in federal revenue.<sup>150</sup> Mayor Riley urged the Commissioners to share the burden of base closure impacts across the nation, citing evidence that previous BRAC closures in Charleston in the two completed rounds since 1989 already caused the loss of 10,000 federal jobs and 8,000 indirect private jobs lost. Mayor Riley also cited the 22% minority workers on base that would lose their jobs, implying the federal government’s responsibility to assist in minority employment.<sup>151</sup> In summary, both politicians, despite being from different parties, were united in their Keynesian rationale that the federal government still maintains a responsibility for local economic welfare and the employment of the nation’s citizens.

The regional Chamber of Commerce President, Elizabeth Inabinet, did not cite economic statistics as might be expected. She focused her arguments almost

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<sup>149</sup> Terry Joyce, “Closing Arguments: Target Norfolk instead, Charleston urges”, *Post and Courier* (Charleston, SC), May 2, 1993.

<sup>150</sup> Terry Joyce, “Closing Arguments: Target Norfolk instead, Charleston urges”, *Post and Courier* (Charleston, SC), May 2, 1993.

<sup>151</sup> Terry Joyce, “Closing Arguments: Target Norfolk instead, Charleston urges”, *Post and Courier* (Charleston, SC), May 2, 1993.

completely on the community and quality of life. “Charleston is a Navy town,” Inabinet told the BRAC Panel, “It’s our families, our schools, our institutions.” The Chamber of Commerce President reinforced the Navy’s role in not just the economy, but the entire community. Inabinet also claimed, “Sailors want to be stationed here,” emphasizing the warm weather, affordable housing, and low commute times.<sup>152</sup> Inabinet’s words attempted to convince the Navy to stay based on Charleston’s favorable regional attributes, like she was trying to convince a business to move into the area. However, she mixed this business recruitment rhetoric with Keynesian language that emphasized the Navy’s duty to support Charleston citizens, as a Navy town.

The Charleston BRAC Hearings and “In Defense of Charleston,” in their fusion of Keynesian and neoliberal arguments and the diversity of their chosen twelve speakers, illuminated the continued contentiousness of neoliberal ideals even in the 1990s era of supposed national consensus.<sup>153</sup> The public, private conglomerate of speakers chosen to defend the Naval Base also nuances claims that neoliberal and Keynesian ideals were split down party lines. A local Chamber of Commerce president and conservative governor argued for a strong, continued federal role in the economy and military-sponsored welfare. A federal labor leader recommended cutting more federal jobs elsewhere and advocated federal austerity measures in his arguments. These examples from the Charleston BRAC hearings of May 1993 embody the antitheses of an economic neoliberal consensus in the 1990s, as the

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<sup>152</sup> Terry Joyce, “We Made Our Case: Officials Hinting at Victory,” *Post and Courier* (Charleston, SC), May 3, 1993.

<sup>153</sup> Terry Joyce, “Base defenders prepare assault,” *Post and Courier* (Charleston, SC), May 1 1993.

national, top-down narrative suggests. Economic ideals and the government's role in economic welfare in the 1990s were still very much contested terrains as shown from this local, bottom-up perspective.

### Conclusions

In an interview that aired on CNN News in June 1993, Charles Carman, a nuclear pipefitter of 18 years at the Charleston shipyard, was interviewed saying, "Yeah, I, when I came to work for the government, I really believed that, you know, I'd end up retirin' like my mother and everyone else." Carman believed that he had joined a secure community that would take care of him for life, just as it had given his mother a lifelong safety net and sense of purpose. As the shipyard closed, Carman's life was rocked with uncertainty, "I have to wait and see. I'll have to stay with the government to closure time because of the benefits that I've have saved up, and hopefully, at the end of that time I'll be able to transfer to another command or possibly retrain."<sup>154</sup> Like many working at the shipyard, Carman's priorities shifted inward with the betrayal and disappointment of the closing heart of North Charleston's community. Shipyard workers struggled as their community disintegrated, but their collective voices of resistance did not go unnoticed. Their reiteration of Keynesian values of stable employment, a right to economic stability,

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<sup>154</sup> Brian Cabell, "Charleston Shipyard Employee Disappointed at Closure," *CNN*, June 25, 1993, <https://advance-lexis-com.proxy-um.researchport.umd.edu/api/document?collection=news&id=urn:contentItem:3TD9-9HH0-0066-J206-00000-00&context=1516831>.

and a government responsibility for economic welfare rose to national attention as base closures mounted.

Although the Charleston closure was not what one would consider widely covered in the national media, it gained enough media attention when combined with other major closures in the early 1990s to have significant political ramifications by the end of Clinton's first term. In 1993, the Clinton administration released "The President's Five-Part Plan, A Program to Revitalize Base Closure Communities," with five billion dollars in federal aid to base closure communities.<sup>155</sup> Clinton described this plan as "unprecedented federal effort to cushion the effects of the cuts." Clinton claimed that the federal aid package was "the least we can do . . . to help these patriotic citizens, cities and towns prosper."<sup>156</sup> Then in 1994, Congress passed the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 ("Redevelopment Act") (Pub. L. 103 421). The Redevelopment Act imposed requirements on BRAC local redevelopment authorities to ensure state, local, and "public purpose uses, including public benefit uses" were prioritized in the reuse of the military bases.<sup>157</sup> The federal stimulus to base closure communities in 1993 and the subsequent legislation requiring bases to be considered first for public benefit were distinctly Keynesian policies and show the impact of the publicized resistance of base closure communities on federal policies.

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<sup>155</sup> John P. White, Deputy Secretary of Defense, "Revitalizing Base Closure Communities and Community Assistance," Department of Defense Directive, April 6, 1996, <https://apps.dtic.mil/sti/tr/pdf/ADA307143.pdf>.

<sup>156</sup> Rupert Cornwell, "US to close 129 military bases: Clinton vows dollars 5bn aid to local communities," *The Independent*, July 2, 1993, <https://www.independent.co.uk/news/world/us-to-close-129-military-bases-clinton-vows-dollars-5bn-aid-to-local-communities-1482642.html>.

<sup>157</sup> Federal Register, Vol. 60, No. 152, August 8, 1995, 40277-40278, <https://www.govinfo.gov/content/pkg/FR-1995-08-08/pdf/95-19245.pdf>

The 1995 round of BRAC brought even more media attention as controversy swirled around the closure of two particular Air Force Depots in Sacramento, California and San Antonio, Texas. After President Clinton reluctantly approved the 1995 BRAC list, he ordered the military to delay the closure of McClellan and Kelly bases for five years as the administration worked to convert some of the tens of thousands of job losses to private sector jobs. This ordered delay of the closure of two major BRAC sites drew accusations of politicization and subversion of the BRAC process from lawmakers.<sup>158</sup> Clinton cited the “devastating impact” for San Antonio and Sacramento, arguing that Kelly Air Force Base’s closure would result in 18,000 lost jobs and “virtually wipe out the Hispanic middle class” in San Antonio. In addition, Clinton referred to McClellan’s 11,000 closure layoffs in Sacramento an “outrage” considering the 8.5 percent unemployment rate in California. “Where is the politics?” Clinton said regarding the 1995 base closures, “this is about economics.”<sup>159</sup> Clinton’s Keynesian rationale revealed that he did value the federal role in reasonable employment and economic opportunity. That said, Clinton’s fixation on the Sacramento and San Antonio bases were likely politic to some extent, given the electoral significance of Texas and California and his upcoming 1996 reelection campaign. Clinton’s lack of comment or specific concern on Charleston’s base

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<sup>158</sup> Lee Davidson, Washington Correspondent, “More base closures? Senate tells Clinton no,” *Deseret News (Salt Lake City)* July 10, 1997, <https://advance-lexis-com.proxy-um.researchport.umd.edu/api/document?collection=news&id=urn:contentItem:3SMB-XN40-00DS-93RY-00000-00&context=1516831>

<sup>159</sup> John Diamond, “Angry Clinton Reluctantly Approves Base Closure List,” *The Associated Press*, July 13, 1995, <https://advance-lexis-com.proxy-um.researchport.umd.edu/api/document?collection=news&id=urn:contentItem:3SJF-S0B0-008G-72H8-00000-00&context=1516831>

closure could be due to the lack of electoral pressures in 1993, especially in a strongly Republican state such as South Carolina.

Base closure had a distinctly localized impact that made it difficult to handle when rising to national politics. This is best exemplified by South Carolina Senator Strom Thurmond. Thurmond referred to the Charleston base closure as “the worst disaster that’s happened to Charleston in my lifetime” in 1993 and reportedly even gave up his prominent role on the Senate Judiciary Committee to claim a seat on the Senate Armed Forces Committee to attempt to save South Carolina’s military base structure.<sup>160</sup> Yet just two years later in 1995 Thurmond wrote a letter to Clinton to convince him not to veto the 1995 BRAC list saying, "There is no question that the implementation of the 1995 Commission's recommendations will be difficult and painful for many communities. At the same time, it is clear that savings generated by closing bases today is essential to the future readiness and force modernization of the military services."<sup>161</sup> This evidence reveals the local-national disconnect of military base closures. Neoliberal BRAC austerity measures were implemented at a national level of politics, yet the harsh economic impacts were borne out at an extremely localized level. The neoliberal budget cuts of the 1990s ‘peace dividend’ played out in communities like Charleston, where the results on the ground evaporated tens of thousands of “jobs for life” and uprooted the deep Keynesian foundations of hundreds of communities nationwide.

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<sup>160</sup> David Sorenson, *Shutting Down the Cold War*, 217.

<sup>161</sup> Strom Thurmond, "Thurmond And Nunn Write Clinton On Base Closure Policy," *Congressional Press Releases*, June 30, 1995, [https://advance-lexis-com.proxy-um.researchport.umd.edu/api/document?collection=news&id=urn:contentitem:3sj4-K4j0-001r-V2w2-00000-00&context=1516831](https://advance.lexis-com.proxy-um.researchport.umd.edu/api/document?collection=news&id=urn:contentitem:3sj4-K4j0-001r-V2w2-00000-00&context=1516831).



## Chapter 3: Public Economic Solutions for Charleston's BRAC Crisis

After reading the immediate reactions, resistance, and doomsday headlines in the early days of Charleston's naval closures, one would expect the 1990s to be a dire time in Charleston. BRAC closed the third largest naval homeport in the country whose facilities accounted for over 20 percent of Charleston County's economy in 1993.<sup>162</sup> Yet surprisingly, by most accounts and economic indicators the 1990s were a period of growth for Charleston. An article in April 1998 cited Vice President Al Gore calling Charleston a "success story" in how "to turn the defense bases that won the Cold War into magnets for jobs and the success stories of the future."<sup>163</sup> Despite drastic predictions of upwards of 20 percent unemployment rates in 1993, Charleston unemployment stayed around three percent through the 1990s, in large part because it "exported its job losses" through relocation, retraining, and early retirement benefits discussed in the former chapter.<sup>164</sup> Ben Cole, president of the newly created Charleston Regional Development Alliance, said in 1998, "A lot of people around here would say the closing of the base was the best thing that ever happened."<sup>165</sup> Just

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<sup>162</sup> Joseph C. Von Nessen, "Economic Impact of CCED: Driving 30 Years of Growth and Expansion in Charleston County," Charleston County Economic Development, 3.

<sup>163</sup> "Charleston, S.C., Rebounds Well Following Loss of Large Naval Base; Blessings of Downsizing Mean Economic Diversity; Gore Calls City A 'Success Story,'" *St. Louis Post-Dispatch (Missouri)*, April 19, 1998, <https://advance-lexis-com.proxy-um.researchport.umd.edu/api/document?collection=news&id=urn:contentItem:3SH3-P7B0-005J-C2HC-00000-00&context=1516831>.

<sup>164</sup> "Charleston, S.C., Rebounds Well Following Loss of Large Naval Base," *St. Louis Post-Dispatch (Missouri)*, April 19, 1998, <https://advance-lexis-com.proxy-um.researchport.umd.edu/api/document?collection=news&id=urn:contentItem:3SH3-P7B0-005J-C2HC-00000-00&context=1516831>.

<sup>165</sup> "Charleston, S.C., Rebounds Well Following Loss of Large Naval Base," *St. Louis Post-Dispatch (Missouri)*, April 19, 1998, <https://advance-lexis-com.proxy-um.researchport.umd.edu/api/document?collection=news&id=urn:contentItem:3SH3-P7B0-005J-C2HC-00000-00&context=1516831>.

five years after the catastrophic closure announcement, news sources and local leaders were calling the closure a success and “the best thing that ever happened.” The question that this chapter will answer is, how did this local economic and social disaster become seen as a regional success just a few years later?

Part of the answer to this question is a story of impressive regional unity and combined action on the part of a variety of local leaders. The base closure sparked an outburst of new Charleston economic development organizations. Charleston County created the Charleston County Economic Development Department (CCED) in their local government specifically to respond to the base closure.<sup>166</sup> Additionally, the region’s three counties (Berkeley, Dorchester, and Charleston) formed a joint economic organization called the Charleston Regional Development Alliance (CRDA) in 1995 that put Charleston “in a turbocharged atmosphere to get out there and really get after industry” in the words of Charleston County Economic Development Director, Steve Dykes.<sup>167</sup> Lastly, a naval base redevelopment authority was created to synchronize actions on the closing naval base and recruit businesses specifically to the vacated navy yard. All these organizations capitalized on continued locally focused energies embodied by “In Defense of Charleston” and other BRAC resistance documented in chapter two and hyper-focused on Charleston economic development, business recruitment, and tourism.

This local unity of purpose in recruiting private business was important; however, I will echo an argument made by historians Mark Wilson and Jennifer Mittelstadt that

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<sup>166</sup> Steve Dykes, Interview with Clay Verkouw, August 9, 2023.

<sup>167</sup> Steve Dykes, Interview with Clay Verkouw, August 9, 2023.

“the late twentieth century shift to a more privatized military was largely a political project, pushed by business leaders, economists, policymakers, and elected officials whose preferences for private sector solutions were informed by rigid ideological positions in favor of private enterprise.” The neoliberal narrative was strong in Charleston as the newspapers, local leaders, and economic development organizations celebrated private sector accomplishments as the primary drivers for base closure recovery. However, this chapter will show that the more significant factor that enabled Charleston’s swift economic recovery derived from less publicized outcomes of the 1993 BRAC decision: the relocation and renewal of federal, military, and state organizations in Charleston through significant public investment. The 1993 BRAC Commission voted to realign several significant military organizations to Charleston in the years following the Navy yard closure which produced a significant number of new, well-paying jobs and an enduring military presence in the area that would continue to sustain Charleston through a variation of the same military Keynesianism that it relied on with the naval base and shipyard throughout the twentieth century. Combined with huge state infrastructure investments and a new “federal enclave” onboard the navy yard, Keynesian public investments were the primary driver in Charleston’s BRAC recovery, despite being overshadowed in the recovery narrative by corporate investment, business recruitment, and private sector growth.

*Political Solutions in the Wake of the Base Closure: SPAWAR and the Continuance of Military Keynesianism in Charleston’s Economy*

Throughout the base closure process in 1993, Charleston’s powerful politicians fought behind the scenes in Washington to ensure Charleston survived the

Navy's departure and retained select naval activities. Senator Fritz Hollings' "handprint is on everything at the Navy Base" according to his long-time Charleston Director of Operations, Colonel (ret.) Joe Maupin.<sup>168</sup> Maupin claimed that Senator Hollings never got much recognition for how he used his political influence to creatively bring federal jobs and economic stimulus to Charleston in the months and years after the BRAC decision. The political solutions that Senators Strom Thurman and Fritz Hollings devised and bargained for brought fourteen federal organizations to the land abandoned by the Navy and set the scene for decades of continued military and federal involvement in the regional economy of Charleston, a choice that continued decades of military Keynesianism, which the naval base and shipyard long provided but now would be provided by other federal and military programs.

Maupin recalls Senator Hollings using political connections to benefit the Charleston area in the wake of BRAC by ensuring some level of continued naval presence. As he tells it, shortly after Hollings found out that the naval station and shipyard on the closure list, he connected with a friend, Harry McPherson, a powerful lawyer in Washington who had been appointed to the BRAC Commission, and invited McPherson and the BRAC chairman, Jim Howard, to a Sunday morning tennis match. While there they came to a compromise that Hollings could save one naval entity in Charleston, other than the shipyard. Hollings chose to save the Naval Electronics Systems Engineering Command (NAVELEX), which would later become Space and Naval Warfare (SPAWAR) Systems Center under Naval Information

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<sup>168</sup> Joe Maupin, Interview by John Duffy and Herbert Hartsook, South Carolina Political Collections Oral History Project, University Libraries, University of South Carolina, October 27, 1999, 25, <https://digital.tcl.sc.edu/digital/collection/scpcot/id/43/>

Warfare Command (NIWC). Combined with other base closures and realignments, Charleston became the east coast headquarters for the burgeoning naval digital, cybersecurity, and systems engineering research and development sector, bringing thousands of high-paying, technical jobs to the area, and as Maupin argued, encouraged many military industrial and technical contractors to the area as well over subsequent years.<sup>169</sup>

This story and SPAWAR's significant impact on the recovery of the Charleston economy is corroborated by various oral histories, newspaper articles, and Senator Hollings himself. In an interview with a *Post and Courier* reporter in 2013, Hollings remembered the "horse trading" that occurred in the wake of base closures and referred to SPAWAR as "the saving grace to the region." He went even further to say "SPAWAR is bigger and better than the Navy running the Navy Yard. It's more jobs and it's permanent jobs."<sup>170</sup> Steve Dykes, the director of Charleston County Economic Development (CCED) Department called SPAWAR "a consolation prize that came out of the Navy closure" and added, "I think our senators did a great job capitalizing on the empathy sympathy factor."<sup>171</sup>

The choice to consolidate east coast naval information and engineering commands in Charleston proved to be an economic boon for the region. Throughout the 1990s, an ever-changing acronym soup of naval technical entities broke ground at the existing

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<sup>169</sup> Joe Maupin, Interview by John Duffy and Herbert Hartsook, South Carolina Political Collections Oral History Project, University Libraries, University of South Carolina, October 27, 1999, 20-21, <https://digital.tcl.sc.edu/digital/collection/scpcot/id/43/>

<sup>170</sup> "Hollings discusses base," *Post and Courier* (Charleston, SC), February 25, 2013, [https://www.postandcourier.com/news/hollings-discusses-base/article\\_6c6b42d9-18de-5c1c-8ee4-675036a96f3b.html](https://www.postandcourier.com/news/hollings-discusses-base/article_6c6b42d9-18de-5c1c-8ee4-675036a96f3b.html).

<sup>171</sup> Steve Dykes, Interview with Clay Verkouw, August 9, 2023.

16,000 acre Charleston Naval Weapons Station, which was retained in 1993 BRAC and realigned to Naval Support Activity, Charleston (see Figure 1).<sup>172</sup> Between 1994-1995, an enormous new 56,000 sqft command, control, communications, computers, intelligence, surveillance, and reconnaissance (C4ISR) facility was custom built for the Navy and named after Senator Fritz Hollings.<sup>173</sup> This new command combined four systems engineering commands from St. Inigoes, MD, Portsmouth, VA, and Washington D.C. and was named Naval Command, Control and Ocean Surveillance, In-Service Engineering, East Coast Division (NISE East). 1995 BRAC further realigned this command and NISE East was renamed Space and Naval Warfare (SPAWAR) Systems Center, Charleston. Later in 1995, a 90,000 sqft building was renovated on the Weapons Station to serve as a new SPAWAR engineering laboratory and conference center. Naval Computer and Telecommunications Command (NCTC) was later transferred to SPAWAR Systems Center Charleston in 1999 adding hundreds more well-paying, highly technical civil service jobs to the region. In 2000, an ultramodern nearly 40,000 sqft air traffic control research and engineering facility was added to SPAWAR Systems Center Charleston.<sup>174</sup> More recently in 2010 growth continued, as yet another massive “Consolidated Engineering Laboratory was constructed for SPAWAR for personnel relocating from Pensacola.”<sup>175</sup> SPAWAR was later redesignated yet again to Naval Information Warfare Command

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<sup>172</sup> John Pike, “Charleston Naval Weapon Station,” May 7, 2011. Accessed on [https://www.globalsecurity.org/military/facility/charleston\\_nws.htm](https://www.globalsecurity.org/military/facility/charleston_nws.htm)

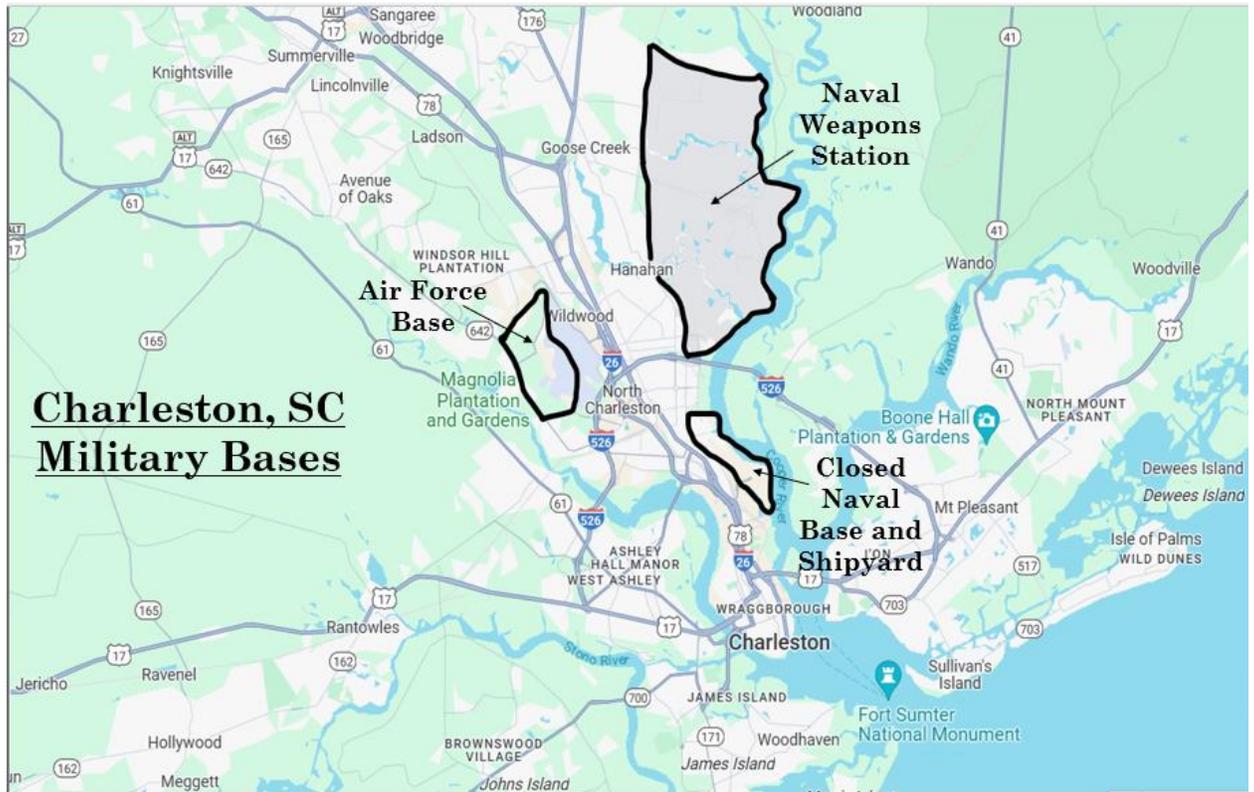
<sup>173</sup> John Pike, “Charleston Naval Weapon Station,” May 7, 2011. Accessed on [https://www.globalsecurity.org/military/facility/charleston\\_nws.htm](https://www.globalsecurity.org/military/facility/charleston_nws.htm)

<sup>174</sup> John Pike, “Charleston Naval Weapon Station,” May 7, 2011. Accessed on [https://www.globalsecurity.org/military/facility/charleston\\_nws.htm](https://www.globalsecurity.org/military/facility/charleston_nws.htm)

<sup>175</sup> Charleston Regional Development Alliance, “SPAWAR Atlantic Breaks Ground on New Building,” May 10, 2010, [https://www.crda.org/news/local\\_news/spawar-atlantic-breaks-ground-on-new-building/](https://www.crda.org/news/local_news/spawar-atlantic-breaks-ground-on-new-building/).

(NIWC) Atlantic and remains a central hub of naval engineering, technology, and technical research and development to present.

Illustration 1: Charleston Military Bases Map



SPAWAR/NIWC were not the only naval organizations relocated to Charleston through BRAC compensation for closing the shipyard and naval station. In 1993, an enormous naval training complex was designated for closure in Orlando, Florida, subsequently relocating the Naval Nuclear Power Training Command (NNPTC) to the Naval Weapons Station near Goose Creek, a Charleston suburb neighboring North Charleston. NNPTC began training students in 1998, bringing with it nearly 5,000 active-duty sailors to the Charleston area.<sup>176</sup> Every submariner and

<sup>176</sup> Naval Sea Systems Command, "History," <https://www.navsea.navy.mil/Home/NNPTC/History.aspx>.

nuclear engineer in the Navy now trained for almost a year in Charleston and these sailors spend their government paychecks out at Charleston businesses, buy houses with their VA loans, and send their children to Charleston area schools. NNPTC reinforced Charleston's newfound identity as a center for naval technology and engineering, a sector that would boom through the 1990s and beyond with waves of digital and internet innovations.

The growth of naval engineering and information technical centers in Charleston had an impact on the private sector as well. Steve Dykes at CCED referenced the "\$3 billion-plus R&D contracts annually" that SPAWAR/NIWC brought to Charleston which led to around two dozen technical and engineering defense contracting firms setting up shop in North Charleston to vie for these contracts.<sup>177</sup> A 2023 economic development report by CCED on Charleston listed NIWC Atlantic and their regional "contractors and suppliers" as one of the eight central developments that have "propelled the community" and economy since 1993.<sup>178</sup>

Although Charleston has traditionally been known as a Navy town, there are other prominent military commands in the area as well. The Charleston Air Force Base is collocated with the Charleston International Airport and was created in WWII to train aviators for combat. It was expanded through a later round of BRAC and in 2005 all military entities in the Charleston region were realigned under one command, Joint Base Charleston.<sup>179</sup> Joint Base Charleston hosts over 60 Department

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<sup>177</sup> Steve Dykes, Interview with Clay Verkouw, August 9, 2023.

<sup>178</sup> Joseph C. Von Nessen, "Economic Impact of CCED: Driving 30 Years of Growth and Expansion in Charleston County," Charleston County Economic Development, 8.

<sup>179</sup> Joint Base Charleston Website, <https://www.jbcharleston.jb.mil/About-Us/>

of Defense and Federal Agencies including the 437th Airlift Wing, the 315th Airlift Wing, 628th Air Base Wing, the Army's 841st Transportation Battalion, the Army Strategic Logistics Activity Charleston (ASLAC), the Navy Munitions Command, Army and Marine Corps Reserve Training Centers, a VA Medical Center, SPAWAR, NNPTC, and a naval detention facility.<sup>180</sup> The Joint Base supports over 90,000 Airmen, Sailors, Marines, Coast Guardsmen, DoD civilians, dependents, and retirees across four military installations: a significant portion of the fast-growing Charleston demographic.<sup>181</sup>

The military organizations were only a piece of the larger story of federal investment and Keynesian solutions in the years after base closure. A “federal enclave” was established on the south end of the shuttered naval base (shown in Figure 2), which now includes fourteen federal institutions and employ more than 2,100 civil servants.<sup>182</sup> Maupin reveals that long-time Senators Hollings and Thurman had a direct hand in the new Coast Guard base, Defense Accounting and Finance Office, U.S. State Department and Passport Center, Federal Law Enforcement Training Center, National Oceanic and Atmospheric Administration Office, among others through their participation in various senate committees and appropriation bills throughout the 1990s.<sup>183</sup> These federal organizations moved in and provided renewed federal jobs and some of the first economic stimulus to the North Charleston. They

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<sup>180</sup> Joint Base Charleston Website, <https://www.jbcharleston.jb.mil/About-Us/>

<sup>181</sup> Joint Base Charleston Website, <https://www.jbcharleston.jb.mil/About-Us/>

<sup>182</sup> Robert Behre, “After 25 years, Charleston’s shuttered Navy base still has ‘a long way to go,’” *Post and Courier* (Charleston, SC), February 10, 2019, [https://www.postandcourier.com/news/after-25-years-charlestons-shuttered-navy-base-still-has-a-long-way-to-go/article\\_735f12e6-2312-11e9-8fcf-63b855d5ec39.html](https://www.postandcourier.com/news/after-25-years-charlestons-shuttered-navy-base-still-has-a-long-way-to-go/article_735f12e6-2312-11e9-8fcf-63b855d5ec39.html).

<sup>183</sup> Joe Maupin, Interview by John Duffy and Herbert Hartsook, South Carolina Political Collections Oral History Project, University Libraries, University of South Carolina, October 27, 1999, 25, <https://digital.tcl.sc.edu/digital/collection/scpcot/id/43/>

are still major employers on the south end of the old naval property and directly resulted from political solutions to continue regional reliance on federal investment and an adapted form of military Keynesianism that would sustain Charleston's economy in subsequent decades.

Today, Joint Base Charleston is the largest employer in the Charleston region with 22,000 employees.<sup>184</sup> When that number is combined with the thousands of federal employees in the federal enclave and the host of military contractors in the area, it becomes clear that the Charleston economy's reliance on federal and military stimulus did not come to an end with the closure of the naval base and shipyard in 1996. On the contrary, local politicians, led by long-time Senators Thurmond and Hollings, devised solutions and bargained deals which brought dozens of new military and quasi-military institutions and thousands of sailors, federal civilian employees, and government contractors to the area which would be a primary driver in Charleston's recovery from economic crisis.

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<sup>184</sup> Charleston County Economic Development, "Leading Employers," <https://www.charlestoncountydevelopment.org/for-site-selectors/leading-employers/>



*Charleston Maritime Manufacturing Consortium: A Case Study of Defense Industry Privatization “Success”*

An unlikely trio of private businessmen in the Charleston shipyard industry came together to help solve the problem of the abundant, vacant industrial space at the shuttered naval shipyard at the heart of the closed base (area designated in blue in Figure 2). Danny Rowland, Loy Stewart, Sr., and Dick Gregory formed a company called Charleston Marine Manufacturing Consortium (CMMC) in 1993 in response to the naval shipyard closure. Their story is partially one of a few local businessmen coming together in recognition of a great commercial opportunity and partially a story of three Charleston citizens with a strong sense of duty taking a great financial risk in service of the greater community. Whichever way you see it, CMMC has been touted as one of the largest success stories of the Charleston base redevelopment.<sup>185</sup>

Rowland, Stewart, Gregory invested in the shipyard out of a sense of duty to the community, not because they thought it was a particularly profitable venture. That being said, they also received favorable leasing terms from the government to substantially decrease risk in their investment. CMMC exemplifies a case study in successful cooperation between public and private entities during military base redevelopment.

The three men who joined together to form CMMC were all from slightly different backgrounds but were similar in their personal exposure to the shipyard business in Charleston. Danny Rowland was born and raised in Charleston and entered shipyard work through his industrial HVAC business which he started with

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<sup>185</sup> Steve Dykes, Interview with Clay Verkouw, August 9, 2023.

his brother after he finished a volunteer enlistment as a Marine in Vietnam. Rowland's company executed industrial contracts at the naval shipyard and he gained a reputation in the area as an astute businessman. He was hired as an executive at Metal Trade Inc, one of the largest private shipyards in the Charleston area, where he further established himself in the Charleston industrial community and grew a large network of connections.<sup>186</sup> Dick Gregory was a general manager at the Charleston branch of General Dynamics and was similarly involved in executing large scale contracts on the naval shipyard prior to closure. He was also involved with the Berkeley County Chamber of Commerce and through this organization he participated in the private sector resistance of the shipyard closure. Loy Stewart was the President of Detyens Shipyard, another of the largest private shipyards in the Charleston area, which he took over from his father-in-law, William Detyens. Detyens started the shipyard in a facility on the Wando River, just north of Charleston, in 1962 and by 1993 it was a major ship-repair contractor for the Navy in Charleston.<sup>187</sup> In the early 1990s, Detyens Shipyard had bought another facility in Jacksonville, Florida to try to gain access to a greater volume of naval contracts from the large bases in the Jacksonville area. The Charleston Shipyard closure announcement had a great impact on Detyens' business and Loy Stewart realized the need for Detyens to diversify into more commercial business.

After closure was deemed imminent, Gregory expressed interest in a joint venture with Rowland to take over some industrial space on the base. Rowland

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<sup>186</sup> Danny Rowland, Interview with Clay Verkouw, September 18, 2023.

<sup>187</sup> Loy Stewart Jr, Interview with Clay Verkouw, October 26, 2023.

remembers that originally, he was very skeptical of a profitable private venture on the aging naval shipyard. The central issue with the publicly-built shipyard was that it was mostly constructed ad hoc for expanding wartime needs. The infrastructure was old and hap-hazardly laid down as the Navy's requirements rapidly expanded during the two world wars. At the time of closure, its 2.5 million square feet of manufacturing space was vastly more than what even the naval shipyard required at time of closure and there was no way, in Rowland's opinion, that a private shipyard could fill up even half of that outdated industrial space.<sup>188</sup> Similarly, as base closure became more and more likely for naval facilities managers in the waning years of the Cold War, necessary infrastructure repairs, facilities renovations, and expensive equipment maintenance were left unfunded, making the base even more undesirable for private companies.<sup>189</sup>

In 1994, a new Naval Base Redevelopment Authority (RDA) was formed after the first RDA collapsed over political differences and local Congressman Arthur Ravenel took the reins. The RDA's most urgent priority was finding a new industrial tenant to operate the shipyard when it officially ceased operations in 1996 in order to ease the economic losses in the community. The RDA sent out hundreds of Requests for Proposals (RFPs) but received fewer proposals back from private businesses than expected. Eleven companies submitted proposals to lease the industrial space on the former shipyard.<sup>190</sup> Due to the aforementioned infrastructural conditions and the

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<sup>188</sup> Danny Rowland, Interview with Clay Verkouw, September 18, 2023.

<sup>189</sup> Loy Stewart Jr, Interview with Clay Verkouw, October 26, 2023.

<sup>190</sup> Terry Joyce, "Firms Ready to Set Up Shop at Shipyard; NEW LEASE: Babcock & Wilcox of Lynchburg, Va., and Charleston Marine; Manufacturing Corp. were the Top Bidders for Sites at the Charleston Naval Shipyard," *Post and Courier* (Charleston, SC), June 7, 1995,

massive amount of space, many proposals only showed interest in particular buildings or specific areas within the industrial area of the shipyard, which was not ideal for the RDA, who sought a large “anchor tenant.”<sup>191</sup> Large companies were also deterred by the restrictive lease terms that the Navy set, which were initially no more than 5 years in duration.

Danny Rowland remembers receiving a phone call from Congressman Arthur Ravenel one afternoon where Ravenel encouraged him to respond to the RFP, saying, “you owe it to the community. You're from here. You've lived here all your life. You've benefited from that shipyard in more ways than one. You owe it to the community to answer that RFP.”<sup>192</sup> Ravenel’s sentiments were common refrains in the age of U.S. neoliberal reform, where cities and communities increasingly turned to private companies and investors to solve economic, urban, and social problems as the public sector shrank.<sup>193</sup>

Ravenel’s urgings had a significant effect on Rowland and that is when he became serious about trying to make a viable business solution on the old naval shipyard. He and Gregory began talking once a week and managed to convince one of the four major private shipyards in the Charleston area, Detyens Shipyard, to consider a joint venture. Detyens president, Loy Stewart, was also initially skeptical of the profitability of moving to the aging public shipyard, however, these businessmen had one clear advantage. As Rowland put it, “if somebody is trying to sell something that

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<https://www.proquest.com/newspapers/firms-ready-set-up-shop-at-shipyard-new-lease/docview/373687143/se-2>.

<sup>191</sup> Rick Brown, Interview with Clay Verkouw, October 23, 2023.

<sup>192</sup> Danny Rowland, Interview with Clay Verkouw, September 18, 2023.

<sup>193</sup> For an example see Kim Phillips-Fein, *Fear City: New York’s Fiscal Crisis and the Rise of Austerity Politics*, (New York: Metropolitan Books, 2017).

nobody wants, that pretty well put you in a negotiating stance.”<sup>194</sup> So the trio drew up a plan with very favorable conditions and the RDA accepted it. This was the birth of their company and the “anchor tenant” on the closed naval shipyard, Charleston Marine Manufacturing Consortium (CMMC).

Detyens Shipyard was able to begin ship repair operations on the naval base in 1995, before the naval shipyard officially closed in 1996. This “hot turnover” of the massive drydocks, pier side cranes and other manufacturing equipment ensured that the facilities could be properly utilized and would not rust away into disrepair.<sup>195</sup> CMMC and Detyens have invested millions of private dollars into infrastructural upgrades at the shipyard since then, but their workload continues to be supported by substantial federal contracts. Loy Stewart Jr., the current CEO of Detyens Shipyard, reports that between 40-60 percent of Detyens ship repair work is government ships, whether it be Coast Guard, Military Sealift Command, the Maritime Administration, the Army Corps of Engineers, or foreign military sale overhauls.<sup>196</sup> CMMC’s most recent property purchase was an old barracks on the north side of the naval base that they renovated and turned into temporary housing for foreign naval crews who were training on U.S. ships that were sold to international allies.<sup>197</sup> The government contracts sustained Detyens and CMMC for decades after naval base closure and continue to this day, showing how federal money is vital even to the private investors on the shuttered naval base.

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<sup>194</sup> Danny Rowland, Interview with Clay Verkouw, September 18, 2023.

<sup>195</sup> Loy Stewart Jr, Interview with Clay Verkouw, October 26, 2023.

<sup>196</sup> Loy Stewart Jr, Interview with Clay Verkouw, October 26, 2023.

<sup>197</sup> Loy Stewart Jr, Interview with Clay Verkouw, October 26, 2023.

Yet, CMMC's business model was to be more than a shipyard. Rowland, Stewart, and Gregory's solution to the massive excess of industrial space was to start a "manufacturing campus with ship repair capability."<sup>198</sup> This vision began with Detyens and Metal Trades Inc (Rowland and Stewarts' companies) moving onto parts of the shipyard property but ended up attracting over thirty manufacturing companies to the shuttered industrial section of the naval base. Presently, Detyens Shipyard still serves as CMMC's anchor tenant, but also included are small businesses that engage in custom black-smithing and metalware, custom lighting, a cluster of maritime logistics and maritime manufacturing companies, and even a custom dressmaker.<sup>199</sup> Co-founder Danny Rowland recalled that the central goal of the company was to keep Charleston's industrial roots after the navy uprooted their 100 year history of maritime industry on the Cooper River. CMMC also met expectations from the RDA and were able to purchase the property in 2005 after the private development firm described in the next section threatened to buy out their property.<sup>200</sup> Current Chief Operating Officer, Elias Deeb, echoed the same sense of collective service in his description of CMMC as an accelerator for small manufacturing businesses in Charleston. CMMC can provide cheap, historic manufacturing space with tailor-made rental agreements and flexible lease terms to help the small businesses and the Charleston industrial community continue to grow.<sup>201</sup>

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<sup>198</sup> Elias Deeb, Interview with Clay Verkouw, August 21, 2023.

<sup>199</sup> Charleston Maritime Manufacturing Consortium Navy Yard Industrial Campus Website, <https://navyyard.com/tour-cmmc-industrial-campus/>.

<sup>200</sup> John McDermott, "Company's Ship Comes in; Tenant CMMC Buys Former Navy Shipyard for \$9 Million," *Post and Courier* (Charleston, SC), Aug 26, 2005. <https://www.proquest.com/newspapers/companys-ship-comes-tenant-cmmc-buys-former-navy/docview/373932582/se-2>.

<sup>201</sup> Elias Deeb, Interview with Clay Verkouw, August 21, 2023.

CMMC embodies a local success story for military base privatization and defense conversion, however CMMC's story also represents the necessity for public-private cooperation and it should not be viewed as a purely private, free market success story of privatization. Although CMMC proudly claims that they have not taken any federal grant money because of the strings attached, CMMC's business still relies heavily on military contracts for work at Detyens Shipyard and many of their other tenants.<sup>202</sup> Additionally, their proposal and lease terms, as well as their eventual purchase of the shipyard, were all done on cooperative and favorable terms to CMMC. Rowland, Stewart, and Gregory's initiative, business acumen, and sense of duty to their community should not be downplayed. Despite being a for-profit, private organization, CMMC has always valued Charleston's public interest in their endeavors. From their initial response to Congressman Ravenel's plea to submit a proposal because they owe it to the community, to Dick Gregory's sentiment that their "mission really was to create jobs."<sup>203</sup> CMMC represented a private collaboration of local businessmen with a sense of duty to Charleston's public welfare, economic development, and sense of community identity.

*The Longer Redevelopment Legacy Aboard the Naval Base: State Leadership amidst Private Redevelopment Failures*

The military Keynesian solutions developed by Senators Hollings and Thurmond and the private solutions represented by CMMC described in the previous

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<sup>202</sup> Danny Rowland, Interview with Clay Verkouw, September 18, 2023.

<sup>203</sup> Dick Gregory, Interview with Charleston County Economic Development, "Success Story: CMMC, LLC," <https://www.facebook.com/watch/?v=1491799274414871>.

sections emphasize the complex mixed-use nature of naval base replacement strategies. The last section of this chapter will narrate the longer story of the Charleston Naval Complex Redevelopment Authority (RDA) and its intentions for public-private mixed solutions in recovery from the BRAC exit of the Navy, but its eventual reliance on public investments. This longer narrative of the RDA and its successes and failures aims to shed light on the gradual waning years the neoliberal order, highlighted by the 2008 fiscal crisis and the rising sentiment that unregulated free market solutions did not adequately serve the public good.<sup>204</sup>

Immediately after official naval base closure was announced in late June 1993, the three surrounding counties created a redevelopment council called Building Economic Solutions Together (BEST) Committee, led by Charleston Mayor Joseph Riley Jr. and North Charleston Mayor Keith Summey. After almost a year of “political bickering,” the over-sized BEST Committee collapsed upon itself over allegations that they were giving preferential treatment to certain businessmen’s proposals and not following state procurement law.<sup>205</sup> South Carolina state legislators and Governor David Beasley passed legislation that did away with the BEST committee and created a new Redevelopment Authority with seven state-appointed members led by Congressman Arthur Ravenel.<sup>206</sup> The BEST committee was by all accounts “a colossal failure,” wasting a year of planning and thousands of tax-payer

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<sup>204</sup> Gary Gerstle, *The Rise and Fall of the Neoliberal Order*, 10.

<sup>205</sup> Associated Press, “Charleston Naval Shipyard’s Story Is One Of Politics, Egos, Infighting,” *Journal of Commerce*, 1994, <https://advance-lexis-com.proxy-um.researchport.umd.edu/api/document?collection=news&id=urn:contentItem:3S4Y-DWK0-0019-939S-00000-00&context=1516831>.

<sup>206</sup> Arthur Ravenel Jr., Interview by Herbert Hartsook, South Carolina Political Collections Oral History Project, University Libraries, University of South Carolina, March 12, 2009, <https://digital.tcl.sc.edu/digital/collection/scpcot/id/32/rec/5>.

dollars. Unfortunately, according to Micheal Touchton and Amanda Ashley's comprehensive study, *Salvaging Community: How American Cities Rebuild Closed Military Bases*, failures like that of the Charleston BEST Committee are all too common in military base closure communities where they argue, "national trends paint a dire picture of hamstrung, under-resourced communities that struggle to convert their closed bases, especially in ways that produce broad community benefits."<sup>207</sup>

The new RDA, with the backing of the state and strong centralized leadership, was more successful in their public stewardship of base property. By mid-1995, Ravenel had negotiated with two private firms: CMMC, which was described at length in the previous section, and Babcock and Wilcox, a precision manufacturing firm that took over the huge five-acre Shop 31 machine shop on base.<sup>208</sup> Throughout the decades after closure, the RDA served as a sort of public real estate broker between the Navy and private firms who wanted to move onto the base, navigating the strict environmental regulations and slow BRAC process for the Navy which prolonged many redevelopment projects to years and sometimes decades. A public entity in this redevelopment brokerage role ensured there was continuity and longevity in the redevelopment process and that the greater community's collective welfare was spoken for when dealing with private firms moving onto the base.

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<sup>207</sup> Michael Touchton and Amanda J Ashley, *Salvaging Community: How American Cities Rebuild Closed Military Bases*, (Ithaca New York: Cornell University Press, 2019), 49.

<sup>208</sup> Terry Joyce, "Firms Ready to Set Up Shop at Shipyard; NEW LEASE: Babcock & Wilcox of Lynchburg, Va., and Charleston Marine; Manufacturing Corp. were the Top Bidders for Sites at the Charleston Naval Shipyard," *Post and Courier* (Charleston, SC), June 7, 1995, <https://www.proquest.com/newspapers/firms-ready-set-up-shop-at-shipyard-new-lease/docview/373687143/se-2>.

The South Carolina Ports Authority (SCPA) became a central public entity on the naval base with two huge port redevelopment projects which took decades to complete and utilized billions in public dollars to stimulate the Charleston economy and regional maritime commerce. Maritime trade was always a crucial part of Charleston's longer history and identity. From its beginnings as a sixteenth century colonial port for cotton, tobacco, slaves, and other goods, Charleston's natural harbor has made it an ideal location for shipping business. After the civil war littered the port with mines and destroyed infrastructure, many of the port facilities fell into disrepair in the late 1800s until the naval base and shipyard opened in 1901 and used federal investment to foster maritime growth and revive Charleston shipping. In 1942, at the height of U.S. government expansion, South Carolina created the South Carolina Ports Authority (SCPA), who "promotes, develops, and facilitates waterborne commerce to meet the current and future needs of its customers, and for the economic benefit of the citizens and businesses of South Carolina."<sup>209</sup> Its footprint in the Charleston area has grown massively in recent years with six port facilities in the Charleston harbor. Two of these six were direct redevelopment results from the naval base closure. The Veterans Terminal in the middle of the naval base opened a few years after closure and is a 107 acre, fully secured port originally with six massive piers for bulk, break-bulk, roll-on/roll-off, and project cargo.<sup>210</sup> However, the much larger investment has been the massive Hugh Leatherman terminal on the south side of the closed base. This 286-acre port facility began planning phases in 2003 and

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<sup>209</sup> Joseph C. Von Nessen, "Economic Impact of The South Carolina Ports Authority: Statewide and Regional Analysis," October 2023, 5, <https://scspa.com/wp-content/uploads/sc-ports-economic-impact-study-2023.pdf>.

<sup>210</sup> South Carolina Ports, "Veterans Terminal," <https://scspa.com/facilities/veterans-terminal/>.

opened in 2021 for operations, becoming the first new container terminal to open in the United States since 2009.<sup>211</sup> After the two billion dollar state investment in the Leatherman terminal, SCPA plans to continue development and expand substantially in the 2020s, expanding to 2.4 million twenty-foot equivalent units (TEUs) of throughput capacity per year, significantly increasing Charleston's total port capacity which currently sits as the eight largest port in the United States, the deepest on the east coast, and the most significant port in the southeast of the country.<sup>212</sup> These port facilities represent significant public investments in naval base redevelopment and embody the government spending which provided the central economic recovery strategy in the post-navy years.

While the south side of the naval base was dominated by state ports and the federal enclave, the north side of the base posed a more complex redevelopment problem. This diverse area along the Noisette creek was filled with naval administrative buildings, the naval hospital, miscellaneous warehousing districts, officer housing, and enlisted barracks. North Charleston mayor Keith Summey envisioned a new North Charleston urban core and began working with a private development firm in 2001. The Noisette Company, led by controversial developer John Knott, embarked on an ambitious public-private venture to redevelop 3,000 acres in the heart of North Charleston, including 300 acres on the North side of the

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<sup>211</sup> South Carolina Ports, "Hugh K. Leatherman Terminal," <https://scspa.com/facilities/hugh-k-leatherman-terminal/>.

<sup>212</sup> Joseph C. Von Nessen, "Economic Impact of The South Carolina Ports Authority: Statewide and Regional Analysis," October 2023, 6, <https://scspa.com/wp-content/uploads/sc-ports-economic-impact-study-2023.pdf>.

naval base.<sup>213</sup> The Noisette Company's nine-year tenure on the naval base was mired in controversy, turf battles, and ultimately bankruptcy in 2009.

The Noisette Company got caught in what one former employee called "planning fatigue," with years of overplanning and relatively little physical redevelopment results to show for the millions of dollars of public and private investments.<sup>214</sup> Those results included a riverside park, a low-income housing building, and some historical renovations of select buildings on base. The slow transfer process in small parcels of naval base property over the years delayed large scale development projects and prevented Noisette's ability to acquire bank loans to build on property that they did not own yet. In 2008, the nationwide fiscal crisis resulted in Noisette defaulting on their loans and foreclosing on much of their naval property in 2010.<sup>215</sup>

In an unexpected move for many in the local government and community, Palmetto Railways, a division of South Carolina Department of Commerce, snatched up the Noisette foreclosed property in 2010 to build an expansive intermodal railyard to serve the ports. It bought the remaining Noisette Company property in 2013 for ten million dollars and outraged many in the North Charleston government because the state's intentions were not clearly communicated, and it squandered any hope of realizing the Noisette goal of developing a new North Charleston urban core. The

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<sup>213</sup> Terry Joyce, "Shipyard Lures Many Players," *Post and Courier* (Charleston, SC), Sep 11, 2003, <https://www.proquest.com/newspapers/shipyard-lures-many-players/docview/374215175/se-2>.

<sup>214</sup> Elias Deeb, Interview with Clay Verkouw, August 21, 2023.

<sup>215</sup> Robert Behre and David Slade, "State railroad division pays \$10 million for remaining Noisette properties on former Navy Base," *Post and Courier* (Charleston, SC), October 7, 2013, [https://www.postandcourier.com/archives/state-railroad-division-pays-million-for-remaining-noisette-properties-on/article\\_0c0e4b75-b916-5fbc-8ece-36af5869ab0e.html](https://www.postandcourier.com/archives/state-railroad-division-pays-million-for-remaining-noisette-properties-on/article_0c0e4b75-b916-5fbc-8ece-36af5869ab0e.html).

railyard is still under construction but already dominates the northern section of the closed naval base and represents further public investment into the base redevelopment as a replacement for failed private Noisette Company redevelopment. North Charleston City Councilman Bob King commented on the SCPA buyout of Noisette that “it appears as if the state is trying to bail out those who invested in the doomed Noisette venture.”<sup>216</sup> South Carolina Secretary of Commerce called Palmetto Railway’s investment, a “comprehensive, public-oriented approach to development.”<sup>217</sup> This particular public investment in the naval property was a microcosm of events unfolding on the wider national stage during the Great Recession of 2008. Noisette’s collapse and the South Carolina Department of Commerce’s buyout reflected a national trend of government bailouts and investment to prop-up private banks, companies, and lenders as politicians turned to Keynesian spending as a solution to fuel recovery from the economic crisis caused by an unregulated private sector.

The state’s central involvement in redeveloping the naval base through the Redevelopment Authority and its transportation-oriented infrastructure investments reinforces my broader argument that public redevelopment projects were far more important to the naval base redevelopment narrative than private ventures. The massive port construction projects and the intermodal railway plan brought billions of

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<sup>216</sup>Robert Behre and David Slade, “State railroad division pays \$10 million for remaining Noisette properties on former Navy Base,” *Post and Courier* (Charleston, SC), October 7, 2013, [https://www.postandcourier.com/archives/state-railroad-division-pays-million-for-remaining-noisette-properties-on/article\\_0c0e4b75-b916-5fbc-8ece-36af5869ab0e.html](https://www.postandcourier.com/archives/state-railroad-division-pays-million-for-remaining-noisette-properties-on/article_0c0e4b75-b916-5fbc-8ece-36af5869ab0e.html).

<sup>217</sup>Robert Behre and David Slade, “State railroad division pays \$10 million for remaining Noisette properties on former Navy Base,” *Post and Courier* (Charleston, SC), October 7, 2013, [https://www.postandcourier.com/archives/state-railroad-division-pays-million-for-remaining-noisette-properties-on/article\\_0c0e4b75-b916-5fbc-8ece-36af5869ab0e.html](https://www.postandcourier.com/archives/state-railroad-division-pays-million-for-remaining-noisette-properties-on/article_0c0e4b75-b916-5fbc-8ece-36af5869ab0e.html).

state dollars into North Charleston. In terms of physical acreage and the investment dollars, the public role in the longer redevelopment of the naval base dwarfs the private sector role. Public redevelopment led by the state-run Redevelopment Authority have pumped billions of dollars into infrastructure projects in the three decades since closure, whereas private developers have struggled to redevelop much of anything. That being said, a new private developer, Jamestown Properties, under the name Navy Yard Charleston, have in recent years begun plans to develop the north section of the base and their future is promising in the opinions of many local officials, but too recent and unfinished to make conclusions.<sup>218</sup>

### Conclusions

In summary, the historical evidence presented in this chapter tells a different story than what you might find based on a survey of Charleston residents and media coverage on the naval base redevelopment since closure. Most attention has been on the private redevelopment firms, business recruitment, and tells a story of Charleston's economic diversification and recovery after military departure.<sup>219</sup> A prominent 1997 *New York Times* article is evidence of the prevailing narrative as it praised Charleston's private sector for the region's miraculous post-BRAC economic recovery. The article mentioned the CDRA and CMMC by name and tells readers, "more than 40 companies have moved to Charleston or expanded their operations

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<sup>218</sup> Ryan Johnson, Interview with Clay Verkouw, August 23, 2023.

<sup>219</sup> For some examples see the following articles from *Post and Courier* (Charleston, SC): Terry Joyce, "Lease inaugurates new shipyard era," Oct 07, 1995; Terry Joyce, "Detyens' Business is Shipshape," Feb 25, 1996; Terry Joyce, "Abandoned Base Experiencing Private Rebirth," June 11, 1997; John P. McDermott, "Company's Ship Comes in; Tenant CMMC Buys Former Navy Shipyard for \$9 Million," Aug 26, 2005; and Bruce Smith, "Base closure in '90s prompted SC coastal economy to move forward, add private-sector jobs," *Associated Press* Newswires, 1 March, 2010.

since 1993, many taking over property on the former Navy base. The companies have committed more than \$1.5 billion in new investment and have created nearly 6,000 jobs.”<sup>220</sup> In one of Sorenson’s brief mentions of the Charleston naval base closure in his book *Shutting Down the Cold War*, he asserts that “recovery also seems underway in Charleston SC... By mid-1996, Charleston’s unemployment rate had fallen and new companies had moved into the area.”<sup>221</sup> The private sector valorization is evident in local headlines, national news, political rhetoric, and even the early historical narrative of Charleston’s BRAC recovery.

But if you dig deeper, you can find evidence of the large military and federal role in Charleston’s recovery. One short 2004 *Associated Press* article briefly reminded readers that, “The Navy has become the Charleston area's biggest employer a decade after its last ships departed Charleston home ports for the last time.”<sup>222</sup> Hidden among stories valorizing private business job growth in the post-closure years is the fact that the military remained the largest employer in the region after the BRAC era. That combined with the Air Force base, the federal enclave, the abundant military contractors in the area, and the huge public port and transportation infrastructure projects tell a story of significant public investment providing a Keynesian floor for the Charleston economy through the BRAC economic crisis and recovery.

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<sup>220</sup> Philip Shenon, "Charleston Bounces Back After Closing of Base," *New York Times*, Jun 12, 1997, <https://www.proquest.com/newspapers/charleston-bounces-back-after-closing-base/docview/430798086/se-2>.

<sup>221</sup> David Sorenson, *Shutting Down the Cold War*, 75.

<sup>222</sup> "Navy remains big business in Charleston after base closure," *The Associated Press State & Local Wire*, December 27, 2004, <https://advance-lexis-com.proxy-um.researchport.umd.edu/api/document?collection=news&id=urn:contentItem:4F47-1B50-009F-S3S5-00000-00&context=1516831>.

Despite undergoing economic recovery from base closure at the height of the neoliberal order, Charleston still relied primarily on Keynesian policies and investments to recover from their short-lived crisis. Charleston's local recovery story echoes the lessons learned at the national level during the Great Depression and the Great Recession: that Keynesian investments are an effective way to revamp economies in the wake of an economic crisis. Charleston's recovery story also reveals through the Noisette company's collapse that the private sector and neoliberalism have a level of instability and risk that large-scale public investments do not have. Keynesianism's return to the forefront of economic policy is debated and not widely discussed. But this local historical case study may offer evidence of Keynesian resilience and applicability not only after but throughout the years of the neoliberal order.

## Epilogue: Charleston's BRAC Legacy

When walking around the old naval base in 2023, one can see that it is still very much a work in progress. Huge swaths of the base are under construction. Foundations for the new massive intermodal railyard cut through the middle of the base landscape. Buildings along Warehouse Row are being renovated into condominiums and shops. The North Charleston city council approved a plan in December 2023 by a major private developer called Jamestown Properties to begin turning the north part of the navy yard into a new urban core for North Charleston.<sup>223</sup> Further, the massive Hugh Leatherman Terminal on the south side of the base has been the source of a legal battle between the South Carolina Department of Commerce and the International Longshoremen's Association (ILA) over union labor at the port in a non-union state. The Supreme Court refused to hear the case, resulting in a win for the ILA and organized labor.<sup>224</sup> This is all to say, the story of the reuse of the closed naval base is still underway and significant today.

The story I wanted to tell in this paper is a reinterpretation of the current Charleston BRAC narrative. The current historical and public narrative tells it like this: the Cold War caused BRAC, BRAC closed Charleston navy yard, local leaders and businessmen came together and made Charleston a model for base closure

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<sup>223</sup> Kenna Coe, "Plan for 'true downtown' at old naval base moves forward with North Charleston vote" *Post and Courier (Charleston, SC)*, December 15, 2023, [https://www.postandcourier.com/news/naval-base-council-vote-north-charleston/article\\_5e809262-9ac4-11ee-bf56-234cd77d983f.html](https://www.postandcourier.com/news/naval-base-council-vote-north-charleston/article_5e809262-9ac4-11ee-bf56-234cd77d983f.html).

<sup>224</sup> Marcus Flowers, "US Supreme Court votes against hearing Leatherman Terminal labor dispute," South Carolina Public Radio, Feb 20, 2024, <https://www.southcarolinapublicradio.org/sc-news/2024-02-20/us-supreme-court-votes-against-hearing-leatherman-terminal-labor-dispute>.

recovery with their collaborative business recruitment, inventive private shipyard reuse, and focus on Charleston as a hub for tourism and maritime trade.

This paper's reframing goes more like this: the rising neoliberal order caused a period of government downsizing and budget cuts in the 1980s and 1990s. BRAC was a neoliberal austerity measure to make the military leaner and more efficient. Despite significant local resistance and predictions of economic crisis, BRAC closed Charleston naval base and shipyard anyway, symbolic of a larger indifference to federal welfare programs in the 1990s. The significance of local BRAC resistance caught national politicians' attention and brought federal aid to Charleston in the form of Clinton administration economic grants, and more importantly senatorial horse trading which managed to maintain a significant military and federal employment footprint in Charleston in the form of NAVELEX/SPAWAR, a massive federal enclave, and various military transportation and training commands. While this continued military Keynesianism provided a floor for Charleston's economy and growth in the 1990s, local leaders capitalized on the local collaboration which resisted BRAC and funneled it into public economic development organizations which over the long run were successful in attracting private business to Charleston. Some of these private investments were successful but many were temporary, like the Noisette Company collapse which was replaced by further state infrastructure projects and investments in the wake of the 2008 fiscal crisis. Overall, I believe this narrative provides a more nuanced and accurate description of the causes, reactions, significance, and aftermath of Charleston's BRAC experience.

This story also nuances and reinforces other popular historical narratives. First, it reinforces Mittelstadt and Wilson’s historical work on the 1990s wave of privatization in the military welfare state and government at large and shows the local impacts of those privatizations. This story also nuances common academic refrains for military budget reduction by bringing attention to the on-the-ground realities of military austerity measures in communities like Charleston that have long relied on federal dollars flowing into their region through military spending. Third, the Charleston BRAC history draws attention to popular valorization of the private sector and underappreciation for public Keynesian-type economic solutions. In this way, the writing here echoes Mark Wilson’s *Destructive Creation* in many ways and shows a more recent post-Cold War example of the private sector valorization narrative that he identified in the post-WWII U.S.<sup>225</sup> Lastly, research here serves as a prime example of the disconnect between local politics and national politics in the U.S. The fact that Senator Thurmond can refer to BRAC as the worst disaster in Charleston in his lifetime and then just two years later personally write to President Clinton persuading him not to veto the 1995 BRAC list exemplifies that the ideals of national politics often do not translate well to the realities of local politics.

Charleston has only continued growing economically and demographically in the twenty-first century. In 2023 the director of Charleston County Economic Development (CCED) Department, Steve Dykes strongly asserted that from an economic perspective, “honestly, there's no way you can talk to anybody in

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<sup>225</sup> Mark Wilson, *Destructive Creation: American Business and the Winning of World War II*, (Philadelphia: University of Pennsylvania Press, 2016)

Charleston and feel like we're still hurting from the Navy closure.”<sup>226</sup> But despite the strong economic recovery in the post-closure years, North Charleston lost a massive part of its collective identity and economic safety net for its residents through the navy yard closure. The shipyard represented “a job for life” for working class Charlestonians and a sense of patriotic communal service and purpose that was never fully replaced. Organizations like SPAWAR and CMMC partially replaced the local jobs and preserved the military and maritime traditions of Charleston, but it wasn’t the same type of safety net for the Charleston working class where federal jobs were passed down from generation to generation.

A Facebook group called “Charleston Naval Shipyard” has 2,500 members in 2023 and serves as a way that some prior Charlestonians have attempted to regain their lost sense of community. They have a big reunion event scheduled in 2024, almost 30 years after the shipyard closed. This page represents their continued pride and nostalgia for that collective sense of purpose and lifelong community that the shipyard represented. However, almost every day there are posts with obituaries and stories of loss as the Charleston naval shipyard community slowly drifts into the distant past. It is important to recognize their stories and take stock of the lessons and legacy of the Charleston Navy Yard before its memories are lost for good.

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<sup>226</sup> Steve Dykes, Interview with Clay Verkouw, August 9, 2023.

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