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**FOREIGN POLICY & DEFENSE**


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intention to begin organizing on military bases; and defense officials are studying the possible effects of a military union on national security.

Cortright, an associate with the Center for National Security Studies, is not worried. Labor leaders, he notes, concede a military union's need for a strike ban during times of national crisis. Morale in the armed services is low; a union, he believes, would eliminate the "reservoir of discontent" among soldiers who have come to regard themselves simply as "employees." Grievance procedures would be institutionalized. Unions would also help assert civilian control over the military. Moreover, experience with unionized armed services in West Germany, the Netherlands, and Sweden "shows no damage to military strength."

Not so, says Parnell, a navy commander now assigned to the Defense Intelligence Agency. In highly unionized Sweden, he writes, the government faced a walkout of army personnel in 1971 when troops balked at being used to break strikes. U.S. military unions, he adds, would foster the "sloppiness" and "unreliability" characteristic of the Dutch Army. The U.S. chain of command would be weakened, "professionalism" would decline, and hostility between enlisted men and their officers would be stimulated.

As for the issue of civilian control, says Parnell, the history of unions in the United States suggests that "our society appears to have better means at hand to control arbitrary military authority than it does to control arbitrary union actions."

### *The Pentagon's Industry Woes*

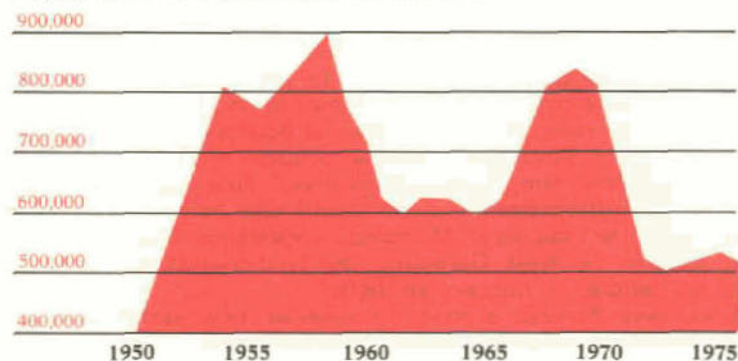
"Let's Change the Way the Pentagon Does Business" by Jacques S. Gansler, in *Harvard Business Review* (May-June 1977), P.O. Box 9730, Greenwich, Conn. 06830.

The "defense industrial base"—the industry portion of the "military-industrial complex"—expands rapidly during periods of sustained world crisis and shrinks just as rapidly when the crisis subsides. While Pentagon planners anticipate this "fact of life," writes Deputy Assistant Secretary of Defense Gansler, management of the post-Vietnam turndown has caused "considerable concern."

Annual Pentagon procurement outlays, Gansler notes, have declined to the lowest point in constant dollars (\$17 billion) since the early 1950s. (As a result, defense contractors rely increasingly on foreign arms sales, up to more than \$10 billion annually from \$1.6 billion in 1970.) Excess production capacity at "prime" U.S. aerospace contractors now averages 30 percent; in the aircraft industry, 45 percent. In some cases, key parts are now supplied by a single company, compromising U.S. capacity to increase output quickly. (When Congress approved a rapid tank build-up after the 1973 Mideast War, Chrysler, the prime contractor, was ready, but the

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Employees in the Aircraft and Parts Industry



Source: Bureau of Labor Statistics.

only company supplying turret and hull casings refused to set aside its commercial business to produce them.)

Despite a shrinking military market, the Defense Department has not reduced the number of prime contractors. Subsidiary contractors are thus losing Pentagon business; some no longer deem it worthwhile. Profits are low, labor costs high. The cyclical nature of defense spending levels (see chart) makes such employment unattractive to workers, and up to 20 percent more expensive to employers.

Current Defense Department business practices, Gansler observes, embody the "worst of both worlds: neither an efficient free market system nor a well-planned 'controlled' economy." He recommends (among other things) that industry merge civilian and defense operations to keep costs low and help smooth the volatile hiring cycle. Most important, he writes, is a need to "institutionalize" the idea of the defense industrial base as a "natural resource" to be managed with as much care as timber, oil, education, or scientific research.

### Another Look at 'Containment'

"Containment: A Reassessment" by John Lewis Gaddis, in *Foreign Affairs* (July 1977), 428 East Preston Ct., Baltimore, Md. 21202.

Thirty years ago this summer, Ambassador George F. Kennan, then director of the State Department's Policy Planning Staff, outlined in his famous "Mr. X" memorandum the American Cold War strategy of containment. In essence, containment was designed to frustrate Soviet expansion by "adroit and vigilant application" of "counterforce" at "constantly shifting geographical and political points."

This strategy, as adopted and modified by Washington, sparked a