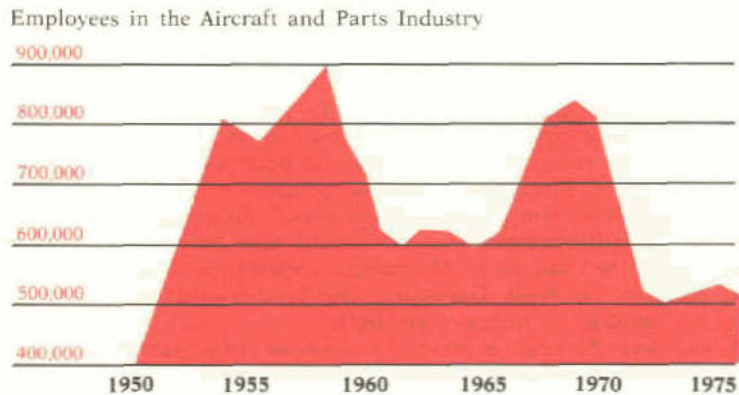


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Source: Bureau of Labor Statistics.

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

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controversy that persists to this day, writes Gaddis, an Ohio State University historian. Nevertheless, he contends, recently declassified government documents as well as the partially opened Kennan papers rebut both conventional liberal and conservative interpretations of Kennan's containment theory.

Those who define containment as purely responsive to Communist strategy have criticized Kennan for placing the initiative in Moscow's hands. Other analysts have faulted Kennan for allegedly urging an "all-out commitment" to bar Communist advances in *any* part of the globe. Still others have assailed containment for its lack of discrimination between "Communism" and "Soviet expansion," thus delaying U.S. rapprochement with China and other Communist states.

Gaddis concedes containment's "passivity" but sharply rejects other criticisms of Kennan as ill-informed. As early as 1948, he notes, Kennan advocated neutrality in the Chinese civil war and withdrawal of U.S. troops from Korea. Moreover, Kennan criticized rather than encouraged U.S. official tendencies to regard Communism as monolithic instead of "polycentric." His suggestion that Marshall Plan aid be offered to Eastern Europe reflected his belief in the intrinsic diversity among Communist-run nations. Gaddis's conclusion: Kennan's containment proposal involved a far more subtle, dynamic, and discriminating policy than most of its critics (and supporters) were able to comprehend.

### *Can a Nuclear War Be Won?*

"Why the Soviet Union Thinks It Could Fight and Win a Nuclear War" by Richard Pipes, in *Commentary* (July 1977), 165 E. 56th St., New York, N.Y. 10022.

Since World War II, U.S. nuclear analysts (among them, U.S. SALT negotiator Paul Warnke) have rejected the view of Karl von Clausewitz (1780-1831) that war is simply politics pursued by other means. But the Russians, says Harvard historian Pipes, have not dismissed Clausewitz so easily.

Characterizing Soviet strategy as "primitive" overlooks important differences between the two superpowers, Pipes contends. American strategy, fashioned by civilians rather than by the military, views a resort to violence as a failure of policy and nuclear war as madness because neither side can win. This view, reinforced by the "fiscal imperatives" introduced in the 1950s and '60s by John Foster Dulles as Secretary of State and Robert McNamara as Secretary of Defense, has led American policymakers to conclude that the U.S. nuclear stance must be to avert, rather than win, a nuclear war. Thus was born the doctrine of "massive retaliation," whereby the United States hoped to deter a Russian "first strike" by threatening an instant, devastating U.S. "second strike."