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**FOREIGN POLICY & DEFENSE**


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the reformers' views as hopelessly romantic. Their vision of war, he charges, recalls the pre-Napoleonic age, when armies were led by "great captains," and fighting "was very much an art." Hence, many reformers advocate a "maneuver" strategy, based on simple but reliable weapons, small but agile forces, and, above all, the creative genius of field commanders.

Modern armies are so large and face each other across such broad fronts that simply keeping them supplied and moving requires bureaucratic coordination. The Prussians pioneered military bureaucracy with the creation of a general staff in the mid-19th century, turning their army into the most successful fighting force in Europe. The Western allies feared the general staff so much that they tried (and failed) to keep the Germans from re-creating one after World War I. For the United States, with its far-flung military commitments, a large Pentagon bureaucracy is unavoidable.

The reformers' skepticism about technology is a useful antidote to some defense intellectuals' notion that there is a "technological fix" for every battlefield problem. But the reformers go too far in stressing strategy as a replacement for technology, Mearsheimer argues. Despite its many "great captains," Great Britain's status as a worldwide naval power began to decline when it trimmed its navy after World War II.

The U.S. military cannot afford to give up its preoccupation with technology, writes Mearsheimer, even though the practical value of new weapons is often not immediately apparent. The armored tank, after all, was built for the broad frontal assaults of World War I, but eventually ushered in a new strategy, the "blitzkrieg." Thus, the new M-1 tank and F-15 fighter (both assailed as costly and unreliable by the reformers) may yet prove their worth, depending on the locale and the nature of the battlefield. To some extent, Mearsheimer asserts, U.S. strategists will always be "prisoners of technology."

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**ECONOMICS, LABOR, & BUSINESS**


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*The Case for  
Protectionism*

"Economic Prospects" by Robert Heilbroner, in *The New Yorker* (Aug. 29, 1983),  
25 West 43rd St., New York, N.Y. 10036.

"Foreign trade has always been relegated to the last pages of American economics textbooks," writes New School for Social Research economist Heilbroner, because, until recently, it played a small role in the U.S. economy. Now those books will have to be revised, along with economists' notions about trade policy.

When the United States was a virtually self-sufficient economic island, economists could confidently endorse free trade without harm, Heilbroner says. Just 10 years ago, the value of all U.S. exports *and*

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imports equaled only 10 percent of the nation's gross national product. But today, up to 70 percent of all U.S. manufactured goods—computers, tractors, and steel—face competition from abroad. And 17 percent of the nation's total industrial and agricultural output is destined for foreign markets.

Classical free-trade doctrine, with its stress on assuring that consumers have access to the cheapest wares in the world, made sense when international competition was muted. But now, contends Heilbroner, free trade costs too many jobs both in the United States and in other industrial nations. The U.S. Steel Corporation, for example, was forced to close 13 mills in 1979–1980 alone, as Japanese, West German, and South Korean companies undercut its prices. Native “high-tech” industry offers little hope for salvation—witness Atari Inc.'s February 1983 decision to move several factories from California to Taiwan.

Eventually, Heilbroner believes, the United States will have to adopt “buffered trade.” An America-versus-the-world posture is one possibility, but he believes that it might be better to establish four regional trade areas—a United States region in the Americas, a Japanese bloc in Asia, a European zone embracing Africa and the Near East, and a Soviet sphere encompassing its Eastern European satellites. *Within* each of these blocs, trade would be free, but each bloc would erect tariff and quota barriers against the others.

Most American economists would probably resist such protectionist measures, Heilbroner concedes. But they might change their tune if *their* jobs were threatened by free trade in economists.

### *Why an Industrial Policy Is Needed*

“An Industrial Policy of the Right” by Robert B. Reich, in *The Public Interest* (Fall 1983), 20th & Northampton Sts., Easton, Pa. 18042.

Harvard public policy analyst Robert Reich can't understand why everyone is so earnestly debating whether or not the United States should have an “industrial policy.” It already has one, he says.

Some U.S. industries gain far more than others from various provisions of the federal tax code—investment tax credits, depreciation, not to mention special tax breaks. Detroit's *effective* corporate income tax rate is 48 percent, while the electronics industry pays 29 percent, commercial banks two percent.

In 1978 (the last year for which figures are available), Washington picked up 70 percent of the tab for the nation's aircraft research and development (largely courtesy of the Pentagon), but only eight percent of R & D in the automobile industry.

Nations that have overt industrial policies, Reich argues, have generally fared better than the United States: While U.S. industrial output dropped by 8.8 percent in recessionary 1982, Japan suffered only a .3 percent loss, and West Germany bore a 2.7 percent decline. And while American industrial exports increased in absolute terms during the 1970s, the U.S. share of the world market for some vital goods shrank.