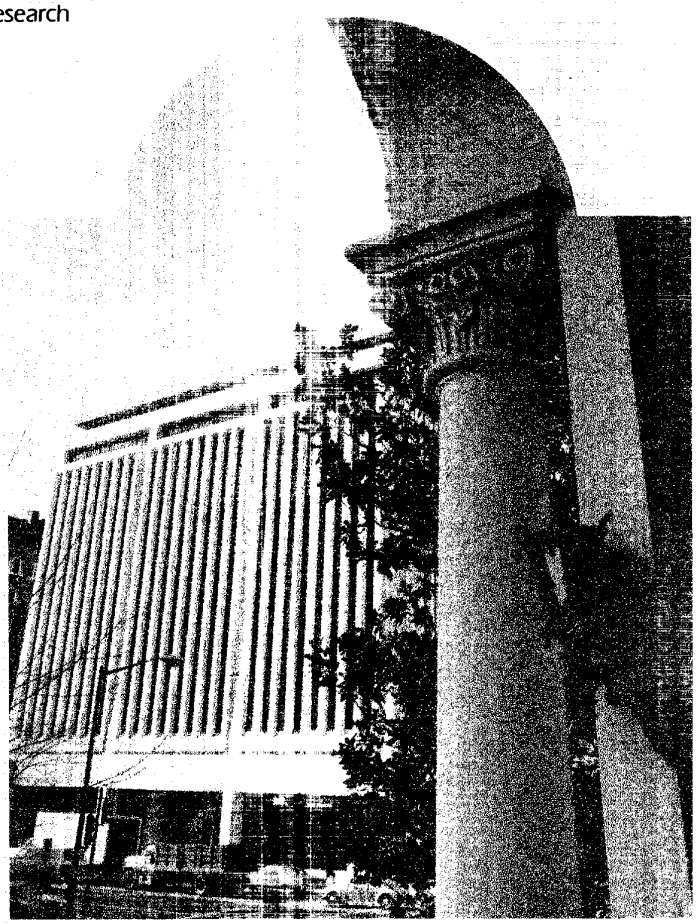
American Enterprise Institute

for
Public Policy
Research



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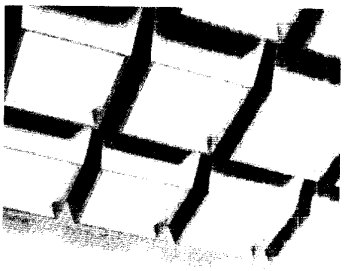

American Enterprise Institute

Studies national problems.

Fosters innovative research.

Identifies and presents varying points of view on issues.

Develops practical options.

Analyzes public policy proposals.

Areas of concentration are economics, law, government, and foreign policy.

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Competition of Ideas

Competition of ideas
is fundamental to a free society.
A free society,
if it is to remain free,
cannot permit itself to be dominated
by one strain of thought.
Public policy derives from the ideas,
speculation and theories of
thoughtful men and women.
Policy makers themselves
rarely originate the concepts
underlying the laws by which
people are governed.
They choose among practical options
to formulate legislation,
governmental directives, regulations
and programs.
If there is no testing
of ideas by competition,
public policy decisions may undermine
rather than bolster
the foundations of a free society.

Contents

The Concept

[illegible] attitudes are crucial in public [illegible]olicy formation. They [illegible] the options on the many is[illegible]ues confronting public [illegible]s, whether elected or appoint[illegible]d. It is vital, therefore, [illegible] thought leaders who help sha[illegible]e public opinion have [illegible]ccess to the results of research, a[illegible]alysis and innovative [illegible]ought from as many different sou[illegible]ces as possible.

[illegible]With this in mind, the American [illegible]nterprise Institute for [illegible] Policy Research, a center for [illegible]he study of national [illegible]ems, fosters innovative resear[illegible], identifies and pre[illegible]s varying points of view on iss[illegible]es, develops practical [illegible]ns, and analyzes public policy p[illegible]roposals. Areas of con[illegible]ern include economics, law, go[illegible]vernment and foreign [illegible]s.

[illegible]e Institute does not take posi[illegible]ions on policy issues. It [illegible] a private, independent, nonprofit, non[illegible]artisan research and [illegible]ational organization financed [illegible] grants and contribu[illegible]ns from foundations, corporation[illegible] and individuals. Con[illegible]ributions are tax deductible under [illegible]ection 170 (c) of the [illegible] Revenue Code. The Institu[illegible]e is classified by the [illegible] Internal Revenue Service as a public[illegible]-supported organiza[illegible]n defined under 509 (a) (1) of [illegible]e Code.

AEI works to place scholarly studies on public issues into the mainstream of political debate. It pursues this objective by commissioning scholars to undertake original research and publishing their findings and by sponsoring conferences and debates, round tables and other forums and making the proceedings available for wide public dissemination on television and radio, in newspapers, periodicals and scholarly journals. The procedure is designed to bring about broader understanding of issues and to increase the options available to those who make public policy.

As Professor Friedrich A. Hayek of the University of Chicago wrote more than two decades ago: "Outside our special fields of work, we are . . . almost all ordinary men, dependent for our information and instruction on those who make it their job to keep abreast of opinion."

AEI materials serve as a bridge between scholars and those who make our public policies. They bring new knowledge and provide insight into policy issues. All publications are made available to the general public. They are sent to legislators only on request. In the 94th Congress, 95 United States senators and 390 congressmen received AEI publications.

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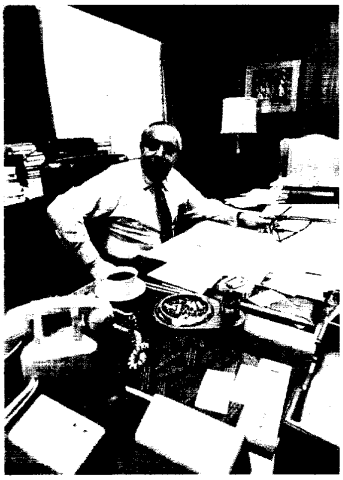

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The Distinguished Fellow

Gerald R. Ford

President Gerald R. Ford is the Distinguished Fellow of the American Enterprise Institute. He maintains an office at the Institute to continue his involvement in AEI programs and activities. President Ford will also participate in a series of seminars and conferences on public policy and college campuses under AEI auspices.

Resident Scholars

Irving Kristol

Mr. Kristol took leave from New York University in 1976 to become a resident scholar with AEI. In 1969 he was appointed Henry R. Luce Professor of Urban Values with the university. He is also co-editor with Nathan Glazer of **The Public Interest** magazine. He served as executive vice president of Basic Books, Inc. from 1961-1969, and was co-founder and editor along with Stephen Spender of **Encounter** magazine (1953-1958), and managing editor of **Commentary** magazine (1942-1952). He is also a member of the Board of Contributors of the **Wall Street Journal.**

Mr. Kristol writes numerous articles for magazines and has co-edited several books, among which are **The American Commonwealth,** with Nathan Glazer (1976), and **The Americans: 1976,** with Paul Weaver (1976).

Mr. Kristol's current research at AEI addresses problems of modern capitalism. He also serves as chairman of the advisory council of AEI's Center for the Study of Government Regulation.

Austin Ranney

Dr. Ranney became a resident scholar at AEI in 1976. He had previously been a professor of political science at the University of Wisconsin, Madison, since 1963. Long active in the American Political Science Association, he was its president during 1974-1975.

Dr. Ranney has been a student of and participant in the reforms initiated by the Democratic party beginning in the early 1970s, and has analyzed the effects of these reforms on the role and functioning of political parties in the United States. He was a member of the Democratic National Committee's Commission on Party Structure and Delegate Selection, 1969-1972.

Dr. Ranney is making a general study of presidential nominating systems, of which the first step is an examination of turnout rates in presidential primaries and an evaluation of proposals for a national presidential primary.

William Fellner

Dr. Fellner became a resident scholar at AEI in 1972, taking a leave of absence in 1973 to serve as a member of the President's Council of Economic Advisers. He remained at this post until 1975, when he returned to AEI. He is Sterling Professor of Economics emeritus at Yale University, and a past president of the American Economic Association.

Dr. Fellner has written extensively on topics relating to inflation and unemployment. He has recently written **Towards a Reconstruction of Macroeconomics** (AEI, 1976), and edited **AEI Studies on Contemporary Economic Problems** (1976) — the first volume released by AEI's Project on Contemporary Economic Problems, which is directed by Dr. Fellner.

Dr. Fellner's current projects at AEI include research on economic growth, fiscal and monetary policy, and structural approaches to unemployment problems.

Robert Bork

Mr. Bork joined AEI in 1971 as an adjunct scholar. He was Solicitor General of the United States from 1973 to 1977, when he returned to AEI to become a resident scholar. Before joining the Department of Justice, he was a professor at the Yale Law School, 1965-73, and a partner and associate of the Chicago firm of Kirkland, Ellis, Hodson, Chaffetz, & Masters (now Kirkland & Ellis), 1955-62.

Mr. Bork is engaged in research on the Supreme Court and the constitution and on problems of antitrust.

Gottfried Haberler

Dr. Haberler joined the American Enterprise Institute in 1971 as a resident scholar. He is Galen L. Stone Professor of International Trade emeritus at Harvard University.

Dr. Haberler has served as president of several national and international associations, including the American Economic Association (1963), the National Bureau of Economics (1955), and the International Economic Association (1950). He was a member of the board of governors of the Federal Reserve System from 1943 to 1944, has served as a consultant to the U.S. Treasury Department, and was an expert attached to the financial section of the League of Nations from 1934 to 1936.

Dr. Haberler is presently engaged in research on problems of international finance and inflation.

Jeane Kirkpatrick

Dr. Kirkpatrick became a resident scholar at AEI in 1977. She had previously been a professor of government at Georgetown University. Among Dr. Kirkpatrick's most recent writings are the books **The New Presidential Elite** (1976) and **Political Woman** (1974). Her writings frequently appear in **Commentary** and other magazines.

Dr. Kirkpatrick has long been active in the American Political Science Association and in Democratic party politics, having been a member of two important committees at the party's 1976 convention. She is currently a member of the Democratic National Committee's Commission on the Role and Future of Primaries and of the national executive committee and board of directors of the Coalition for a Democratic Majority.

Dr. Kirkpatrick's work at AEI focuses on the nature and fate of democratic institutions in Western societies.

Rudolph Penner

Before joining AEI as a resident scholar in 1977, Dr. Penner was assistant director for economic policy with the Office of Management and Budget. From September of 1973 to April of 1975 he served as deputy assistant secretary for economic affairs at the Department of Housing and Urban Development. Dr. Penner earlier was a professor of economics at the University of Rochester and at Princeton University, and served as an economic consultant to various governments.

Dr. Penner's writings include **Public Claims on U.S. Output,** with others (AEI, 1973), and books and articles in professional journals on public policy issues, primarily those relating to taxation and government spending.

Dr. Penner is currently conducting research on the federal budget.

James C. Miller III

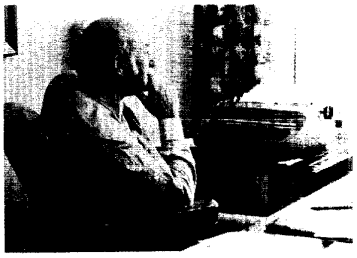
Dr. Miller first joined AEI as an adjunct scholar in 1975, becoming a resident scholar in 1977. He took leave from AEI for government service as assistant director of the office of government operations and research at the Council on Wage and Price Stability and, earlier, as senior staff economist on the President's Council of Academic Advisers. He has taught at Georgia State University and Texas A&M University. Among the publications he has authored or edited is **Perspectives on Federal Transportation Policy** (AEI, 1975).

Dr. Miller is assessing the performance of federal regulatory agencies and addressing the costs and benefits of their decisions.

Visiting Scholars

Antonin Scalia

Mr. Scalia is former assistant attorney general, Office of Legal Counsel, U.S. Department of Justice. His experience in government also includes positions as general counsel in the Office of Telecommunications Policy and chairman of the Administrative Conference of the United States, the independent agency charged with developing improvements in administrative procedure throughout the government. Before coming to government, Mr. Scalia was a professor of law at the University of Virginia.



Ronald Berman

Dr. Berman was until recently chairman of the National Endowment for the Humanities, a position he assumed in 1971. He had earlier taught at Columbia University, Kenyon College, and the University of California at San Diego. Dr. Berman is the author of several books on renaissance literature, and serves as a trustee to the Woodrow Wilson International Center for Scholars.

Adjunct Scholars

Peter L. Berger, professor of sociology, Rutgers University, in religion and social issues.

Yale Brozen, professor of economics, University of Chicago, in evaluative research.

James M. Buchanan, professor of economics, Virginia Polytechnic Institute and State University, in fiscal policy and public choice economics.

Phillip Cagan, professor of economics, Columbia University, in monetary policy.

Colin D. Campbell, professor of economics, Dartmouth College, in economic controls and social security.

Kenneth W. Dam, Harold J. and Marion F. Green Professor of Law, University of Chicago, in economic policy issues.

Martin Diamond, professor of political science, Northern Illinois University, in American political institutions.

Wietze Eizenga, professor of economics, Leiden University, The Netherlands, in international economics.

Marten Estey, professor of management and industrial relations, University of Pennsylvania, in labor policy.

Clark C. Havighurst, professor of law, Duke University, in law and health policy.

Donald C. Hellmann, professor of political science and comparative and foreign area studies, University of Washington, in Japanese-American relations.

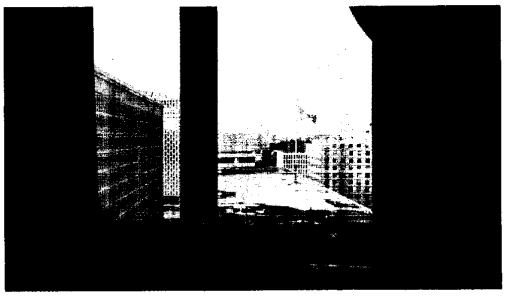
James Hodgson, adjunct professor, UCLA, in labor, economics, and international studies.

Hendrik S. Houthakker, professor of economics, Harvard University, in international economics.

Charles S. Hyneman, Distinguished Professor of Political Science emeritus at Indiana University, in American political theory.

D. Gale Johnson, Eliakin Hastings Moore Distinguished Service Professor of Economics, University of Chicago, in agricultural economics.

Anthony King, professor of government, University of Essex, England, in comparative politics and elections.



Jeane J. Kirkpatrick, professor of government, Georgetown University, in democratic institutions.

Edmund W. Kitch, professor of law, Law School of the University of Chicago, in law and economic regulation.

Philip A. Klein, professor of economics, Pennsylvania State University, in economic statistics and fluctuations.

Lawrence J. Korb, professor of management, U.S. Naval War College, in federal budget affairs and national security.

Harold M. Levinson, professor of economics, University of Michigan, in labor and wage policy.

Seymour Martin Lipset, senior fellow, The Hoover Institution, and professor of sociology and political science, Stanford University, in American university and intellectual life.

Paul W. MacAvoy, professor of economics, School of Organization and Management, Yale University, in regulation and public policy.

James W. McKie, professor of economics and dean of the College of Social and Behavioral Sciences, The University of Texas at Austin, in energy.

Charles E. McLure, Jr., Cline Professor of Economics and Finance, Rice University, in fiscal policy.

David I. Meiselman, professor of economics, Virginia Polytechnic Institute and State University, in monetary policy.

Edward J. Mitchell, professor of business economics, University of Michigan, in energy policy.

Geoffrey H. Moore, vice president — research, National Bureau of Economic Research, and senior research fellow, The Hoover Institution, Stanford University, in labor and wage statistics.

Thomas Gale Moore, senior fellow and director, domestic studies program, The Hoover Institution, Stanford University, in regulation and transportation.

J. Carter Murphy, professor of economics, Southern Methodist University, in international monetary policy.

G. Warren Nutter, Paul Goodloe McIntire Professor of Economics, University of Virginia, in economics and defense.

Attiat F. Ott, professor of economics, Clark University, in federal budget affairs.

Sam Peltzman, professor of economics, University of Chicago, in health and regulation.

Howard R. Penniman, professor of government, Georgetown University, in American political institutions.

Simon Rottenberg, professor of economics, University of Massachusetts, in health and regulation.

Wilson E. Schmidt, professor of economics, Virginia Polytechnic Institute and State University, in international economics.

Thomas Sowell, professor of economics, University of California, Los Angeles, in labor and the history of economic thought.

W. Allen Spivey, professor of statistics, Graduate School of Business Administration, University of Michigan, in econometrics.

Herbert Stein, A. Willis Robertson Professor of Economics, University of Virginia, in fiscal policy.

Carl H. Stem, dean, College of Business Administration, Texas Tech University, in international economic policies.

Stephen J. Tonsor, professor of history, University of Michigan, in the history of ideas.

Norman B. Ture, economic consultant, Washington, D.C. in federal and business taxation.

W. Allen Wallis, chancellor of the University of Rochester, in social security and welfare.

Alan A. Walters, professor of political economy, Johns Hopkins University, in government regulation.

William M. Wardell, professor of pharmacology, toxicology and medicine, University of Rochester, in pharmaceuticals and health.

John C. Weicher, professor of economics, Ohio State University, in housing programs and policies.

Murray L. Weidenbaum, Edward Mallickrodt Distinguished University Professor at Washington University, St. Louis, coordinator of Institute studies in public finance and the federal budget.

Marina v. N. Whitman, Distinguished Public Service Professor of Economics, University of Pittsburgh, in foreign economic policy.

Ralph K. Winter, Jr., professor of law at Yale University, adjunct scholar in law.

Leland B. Yeager, professor of economics, University of Virginia, in monetary policy.

In addition, W. Glenn Campbell, director of The Hoover Institution at Stanford University, serves as an AEI program advisor.

Fellows

Ben Wattenberg

Mr. Wattenberg has written several books on American political and social affairs. Mr. Wattenberg has been active in government and Democratic politics as an assistant to President Johnson, 1966-1968; aide to former Vice President Hubert Humphrey, 1970; and campaign advisor to Senator Henry Jackson, 1972. He is also co-founder and co-chairman of the Coalition for a Democratic Majority.

Jude Wanniski

Mr. Wanniski is a resident journalist at AEI, conducting research on the impact of recent world inflation on employment and output in terms of its effects on the progressivity of personal income taxation. He is an associate editor of the **Wall Street Journal,** where for the past five years he has written many editorials on international and domestic economics and politics as well as editorial page essays under his by-line.

Laurence Silberman

Mr. Silberman was recently the American ambassador to Yugoslavia. Before that appointment, he served in government as deputy attorney general in the U.S. Department of Justice, as undersecretary of labor and solicitor of labor in the U.S. Department of Labor, and as an attorney on the National Labor Relations Board. He was in the private practice of law in Hawaii, and was a partner in the Washington firm of Steptoe and Johnson in 1973-1974.

Raymond Price

Mr. Price has served on the White House staffs of Presidents Ford and Nixon as special consultant and special assistant. He was earlier an assistant to Mr. Nixon in New York City. Mr. Price worked on the **New York Herald Tribune** from 1957 to 1966 and was that paper's editorial page editor from 1964 to 1966.

Robert Elegant

Mr. Elegant is an AEI research fellow based in Ireland. His research focuses on relations between less developed and industrialized countries, with specific attention devoted to the intelligent exploitation of natural resources and to certain fundamental assumptions degrading the value of freedom that have gained dominance in both underdeveloped and industrialized societies. Mr. Elegant is a noted author and is foreign affairs columnist for the **Los Angeles Times.**

Michael Balzano

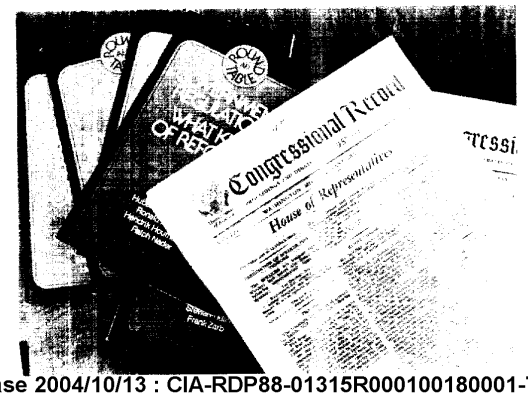
Dr. Balzano was until recently director of ACTION. A high school dropout who was first employed as a garbage collector, Balzano eventually graduated magna cum laude from Bridgeport University and with distinction from Georgetown University. He has served on presidential commissions on mental retardation and neighborhood revitalization in addition to his work with ACTION.

Government Regulation

AEI Research

Severe inflation, serious recession, important questioning of our political and economic institutions — these factors and others have led to sustained, critical interest in the governmental process of regulation. AEI established the Center for the Study of Government Regulation in March 1976 to develop and communicate a better understanding of the role of legal and political institutions in decision-making in our economy and society. The formation of the Center represents an expansion of studies and related activities at AEI to bring government regulatory issues into sharper focus.

In addition to drawing upon the research and expertise of scholars in the academic community affiliated with AEI, the Center incorporates the work of a small, interdisciplinary group of experienced professionals chosen from the fields of public administration, political science, history, economics and law. This integrated approach supports a comprehensive focus on the regulatory process — its essential strengths and weaknesses, its positive and negative side



effects in particular situations, and its most appropriate institutional forms. Dr. Marvin Kosters, resident scholar at AEI, is director of the Center.

The Center is directing priority attention to the comparatively new forms of economy-wide regulation according to environmental, safety, nondiscrimination and other standards, a major source of growth in the scope and complexity of federal regulation over the past decade. Both the independent federal regulatory agencies and regulatory offices within the federal departments and at the state level are being examined. Researchers are considering alternatives to existing programs and examining the possible impact of these approaches.

AEI's research on issues of government regulation is directed to assuring that expectations for regulation be realistic and that administrative and legislative choices in this area be made in full awareness of their larger importance and long-run consequences for individual citizens and American society as a whole.

AEI is initiating publication of a journal on regulation. Editor of the journal is Anne Brunsdale, former director of publications at AEI.

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Fried, Frank, Harris, Shriver and Kampelman

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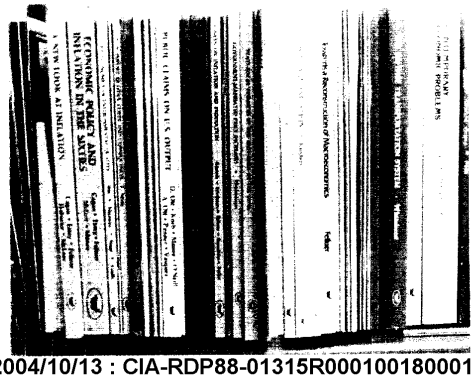


Economic Policy

AEI Research

The economic issues confronting government policy makers fundamentally affect all sectors of American society. Policy decisions have far-reaching ramifications not only in our own nation but internationally. Often, however, our decision-making process is characterized by a lack of recognition of the interrelated nature of public policy actions.

Economic questions are involved in, or underline, most proposals for new federal programs or policies. Will the change affect the functioning of the economy, and if so, how? What will be its impact upon specific industries and economic sectors? Upon costs, prices and employment? Does economic analysis suggest that the program or policy is well or poorly designed to accomplish its objectives? Attention to these kinds of questions is a major theme of AEI's entire research program.

In response to the need to identify and examine the interplay of policy actions on structural economic forces, AEI research explores a wide range of economic issues. In the area of fiscal policy, AEI devotes substantial resources toward examining the effects of spending and tax reform proposals on economic activity, saving, investment and individual behavior, as well as on federal budget trends.

The growth of federal transfer payments during the past two decades is being analyzed in relation to changes in the supply of labor and capital, the distribution of income, and economic stability.

The dual problem of inflation and unemployment remains a primary subject of inquiry. Emphasis is placed on the basic causal factors as well as their interrelation and the resultant policy implications.

The AEI Project on Contemporary Economic Problems is an effort to analyze the difficulties that the nation will face in the coming years as policy makers attempt to restore reasonably full employment while at the same time reducing inflation to an "acceptable" level. The first annual volume of the project was published in July 1976.

Among the international economic issues addressed are U.S. balance of payments problems and the implications of floating exchange rates for problems of international liquidity. The latter issue was the subject of an AEI conference sponsored jointly with the U.S. Treasury Department in April 1976. A 1977 conference on monetary relations between the United States and Europe will review recent trends and explore alternative policy lines with an aim to furthering monetary integration in Europe and promoting orderly monetary arrangements among the major industrial nations.

Problems in international trade, particularly those regarding third world countries, will be explored at a 1977 conference entitled "Toward More Liberal World Trade and Commerce." Issues relating to commodity agreements and buffer stocks will be discussed, as will impediments to freer world trade and the role of U.S. agricultural and food policy in domestic and international economic affairs.

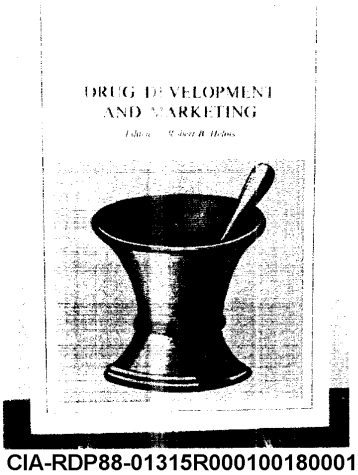
Social Security and Retirement Policy

AEI Research

The social security program of the federal government, which directly affects more citizens than any other government program, has recently been a cause for concern for several reasons. Projections of revenues and benefit payments have produced clear indications of the necessity to make alterations in the present program and to take steps to strengthen the future financing of the program.

The rapid growth of the system may be affecting national rates of saving, capital formation, and labor force participation, and the accompanying increases in payroll taxes are adversely affecting private pension programs. The insurance objectives of the system, which predominated when it was established in 1937, have come into conflict with its welfare objectives.

The 1976 report of the Advisory Council on Social Security of the U.S. Department of Health, Education and Welfare suggests a number of changes in the social security system and recommends independent study of a number of specific issues. These and other related issues are being addressed at AEI through a Project on Social Security and Retirement Policy directed by Professor Colin D. Campbell of Dartmouth College. An advisory committee for the project is headed by W. Allen Wallis, Chancellor of the University of Rochester and chairman of the 1974 Advisory Council on Social Security to the Secretary of Health, Education and Welfare. Published studies will explore available courses of action to deal with such problem areas as benefit goals, decoupling proposals, the effects of the program on private saving, financing of the system, the differential impact of the system on various groups in society, and alternatives to the current operation of the program.



Health Policy

AEI Research

AEI's examination of health policy issues is coordinated through its Center for Health Policy Research. Rising concern over the adequacy of our present health care system has been expressed by the public, government bodies, members of Congress, and people within the medical profession itself. Questions have been asked about the effects of various government programs to provide better health care, the extent to which the federal government should provide actual medical coverage or insurance, methods of checking the rising costs of health care, the effects of more government planning and regulation, and the extent to which FDA safety regulation improves health by disallowing unsafe drugs as opposed to diminishing the effectiveness of treatment by discouraging innovation for new drugs. AEI research addresses these questions, among others.

Work now under way is dealing with international comparisons of systems to control drug utilization, the effects of current programs to regulate hospitals, policy proposals to reform medical insurance, evaluation of government programs dealing with health maintenance organizations, medical peer review and kidney dialysis. Additional projects deal with such areas as government policy and the economics of medical regulation and cost control.

Legal Policy

AEI Research

As Tocqueville observed in **Democracy in America,** "scarcely any political question arises in the United States that is not resolved, sooner or later, into a judicial question." The accuracy of this perception has become more and more evident in recent years as American society has relaxed its historic reluctance to having legal arbiters (in administrative agencies as well as courts) decide issues traditionally regarded as political in nature. AEI is expanding its research on the growing role of the courts in determining public policy. Areas of emphasis include the appropriate role of courts, administrative agencies, and the adversary process in the development of American law and society; questions of constitutional law, government structure, and individual rights; the relationship of government and law to the private sector; and selected topics dealing with problems of crime, law enforcement, civil order, and justice.

AEI examines legal policy issues with the view that policy makers need to be aware of the scope and meaning of changes in American law before those changes are embodied in a court decision or legislative enactment. Scholars with expertise in economics, political science, the other social sciences and the humanities as well as law combine to provide a multidisciplinary assessment of issues.

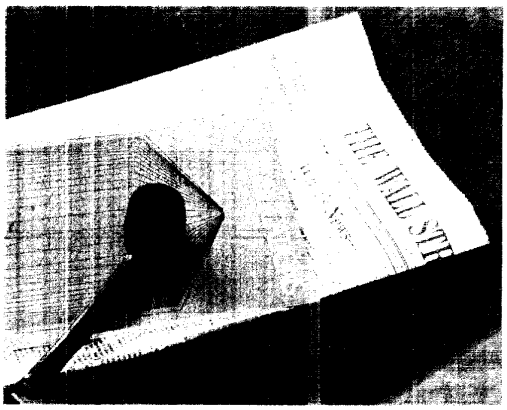
Highlights of the program have included a major conference on the proposal to require federal charters of large corporations, a series of debates on subjects ranging from civil liberties and freedom of the press to the reform of government regulation, a scholarly discussion of the caseload of the Supreme Court, and analyses of consumer protection legislation and federal campaign finance laws. Continuing features include an annual survey of the significant decisions of the Supreme Court and a year-end review of the work of the United States Congress. Major research under way includes examination of the relationship between Congress and the executive branch, particularly on the question of legislative veto.

Advertising

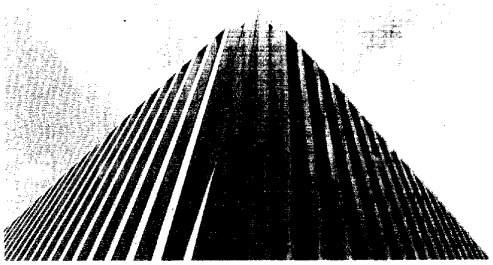
AEI Research

AEI established the Center for Research on Advertising in 1975 in recognition of the growing importance of advertising to public policy. Recent years have witnessed a trend toward the regulation of advertising not only according to its truthfulness, but also according to broad assumptions about its effect on industrial performance and consumer welfare. The Federal Trade Commission is taking an increasingly activist and aggressive role in its policy toward advertising. Claims that advertising creates "barriers to entry" and "shared monopoly" are evidence of this trend, as are the various governmental requirements of "substantiation," "corrective advertising," and "full disclosure."

Assertions that advertising wastes resources and promotes industrial concentration are being challenged by economists who stress its role as a source of information to consumers, a means of entry for new firms, and a spur to product development, price competition, and corporate accountability.



AEI's research explores a broad spectrum of advertising-related issues, ranging from the advertiser's rights and responsibilities under the First Amendment and the Federal Trade Commission Act to the effects of advertising on consumer prices. Current topics of research include the effect of manufacturers' advertising on competition at the retail level and the effects of formal and informal restrictions on advertising by professionals.

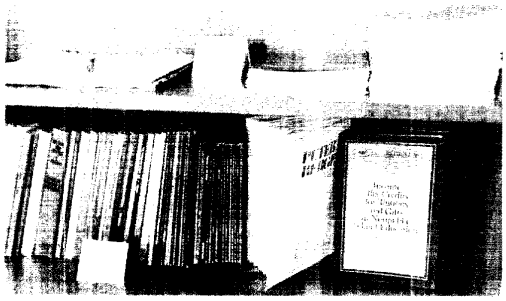


Political and Social Processes

AEI Research

Over the past decade, increasing attention has been devoted to the strength of institutions and practices central to free societies as typified in the American political experience. Constitutional and democratic processes throughout the world appear to some to be waning in vitality. To what extent are fears of declining strength in free societies justified? Where concern is justified, how can public policy work to invigorate basic institutions rather than hamper them?

The American Enterprise Institute has launched a series of projects designed to answer both these questions. Under the general direction of Professor Howard Penniman of Georgetown University, an ongoing series of studies examines recent elections in Britain, France, Canada, the Scandinavian democracies, Australia, Italy, West Germany, Japan, Portugal, Spain and Israel. Other countries may be added to the list, and some of the original nations will be reexamined during their next electoral contests. The analysis of sometimes quite dissimilar democratic societies is designed to provide a better sense of democratic institutions at work and help to inform those who are striving to improve electoral institutions and processes around the world.



Basic institutions and processes in the United States are also being analyzed. The appointment of Austin Ranney in 1976 as an AEI resident scholar has led to initiation of projects on American public institutions, political parties, and electoral practices and opinion. In addition, a major project on the role of mediating structures — family, voluntary association, church and neighborhood — has been established by AEI in New York City under the direction of Professor Peter Berger of Rutgers University and the Reverend Richard Neuhaus of **Worldview** magazine. The Berger-Neuhaus project is examining the role of mediating structures in five key domestic policy areas: health care, education and child care, law enforcement, housing and welfare.

As part of AEI's increasingly strong commitment to research in the public policy implications of work in the social sciences and humanities, the Institute has begun a program for advanced fellows in the humanities, partially funded by The National Endowment for the Humanities.

Energy Policy

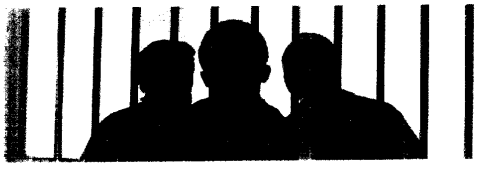
AEI Research

The energy policy of the United States is basic to the strength and welfare of American society — to each individual, home, business, and government jurisdiction. Issues surrounding this policy demand serious treatment as matters of national strategy. The same or similar considerations apply throughout the international community.

The American Enterprise Institute's National Energy Project was established in early 1974 to examine the broad array of issues affecting energy demands and supplies in the United States. The project commissioned research into all important ramifications of the energy problem — economic and political, domestic and international, private and public.

While the National Energy Project was formally terminated in 1976, energy policy studies continue at AEI. The project's primary objective to provide nonpartisan analysis and develop diverse options on energy problems is being maintained in conferences and studies.

Works in process are examining the energy politics surrounding the trans-Alaska pipeline; the process through which so-called public interest lobbies attain and integrate scientific, technical, and economic opinions in formulating their policy positions; the petroleum allocation program of the Federal Energy Administration, alternative policies for obtaining Arctic oil and gas reserves, and the performance of ERDA. International topics being analyzed include the political economy of OPEC, nuclear safety, and an examination of the relative efficiencies and performance of nationalized energy industries and private-sector energy companies.

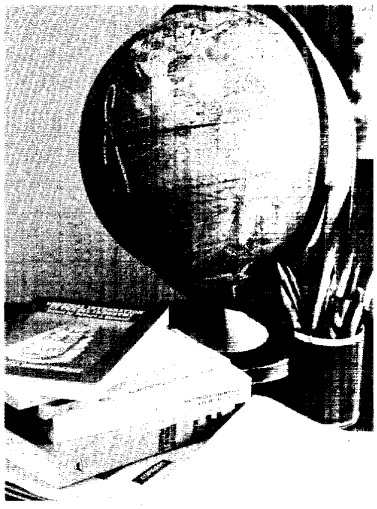


Foreign Policy

AEI Research

As the United States moves toward the end of the decade of the 1970s, fundamental issues in foreign policy are receiving widespread attention, and the requirement for greater exchange of informed ideas has increased.

What are the vital interests of the United States in world affairs? How are they best advanced and protected? What assumptions have guided, and will guide, our foreign policy? What nations will be most critical for American policy during the remainder of this decade and into the next? Can we forecast their behavior? What nongovernmental factors—for example, ethnic and ideological movements—will play a part in American foreign policy? How will basic needs for energy and technology in an interdependent global system be met by American statecraft?



In an effort to study such issues AEI's program brings together academic, business and governmental experts in the field of international relations. Four basic research areas are being stressed:

First, the general area of diplomatic politics, with the focus on such topics as diplomatic history, communist diplomacy, the organization of American effort, and various regional problems that have potential or actual effect on U.S. interests. Also being addressed are relationships between war and peace in areas critical to American interests. Speculative effort in international relations theory is linked with actual policy problems.

Second, the field of cultural affairs in the international setting studied in the light of psychological and ideological issues, developmental growth problems, and questions of human rights. Attention is directed both to immediate problems, such as population growth, and to longer-range problems relating to subjects such as ethnicity.

Third, resources and technology as problems in global interdependence.

Fourth, a special-projects area involving philosophical inquiry by selected scholars into the ethical dimensions of international relations.

Other areas of AEI research, especially defense policy, economic policy, energy policy, and political and social processes, contribute to work being carried on under AEI's foreign policy program.

Defense Policy

AEI Research

No problem is more critical for a democracy like the United States than providing for a national security that will promote peace and, if necessary, be adequate to assure the safety of our country. No problem is more difficult to discuss openly, as the subject is necessarily shrouded in secrecy. Yet, in a democracy, national defense must be public policy, arising from public debate and resting on public support. On this premise, the American Enterprise Institute has established a new Public Policy Project on National Defense under the chairmanship of former Secretary of Defense Melvin R. Laird. General Bruce Palmer, Jr., former vice-chief of staff of the United States Army, is project consultant.

If defense is to be discussed intelligently, there must be a broad-based forum through which the public can be informed on basic issues and constructive debate can proceed. The project deals with four closely related areas of national defense policy: (1) concepts of strategy, including linkages between national defense policy, foreign policy and international economic policy; (2) U.S. forces and manpower; (3) the administration and economics of U.S. defense; and (4) complex threats in an increasingly complicated international environment.

In addition to formal study efforts and television productions, the Public Policy Project on National Defense is publishing a new **AEI Defense Review.** The review will focus on a wide variety of defense issues during 1977, ranging from general issues, such as the future of the U.S. Navy and Soviet nuclear planning, to specific topics like the Panama Canal and unions in the military.

Attention will be paid to the complex interactions between defense policy, foreign policy and international economic policy. Special work is underway in the area of possible threats to U.S. security interests within the global economy, including issues surrounding commodity transactions and technology transfers.

Legislative Analysis

The increasing volume and complexity of legislative proposals and the limited research facilities available to members of Congress create a need for independent analysis of issues. To serve this need, AEI prepares Legislative Analyses of the major bills introduced each year. Each analysis provides a clear, concise summary and background of a specific legislative proposal and explores the substantive arguments of its leading proponents and opponents.

Care is taken to present a fair and factual treatment of the subject. AEI's analyses are widely used, not only by busy congressmen, senators and key officials of the executive branch, but also by others concerned with legislative and policy issues.

The legislative issues analyzed are selected on the basis of their national significance and timeliness with the help of AEI's distinguished Program Priorities Committee.

Most favorable letters have been received about AEI's Legislative Analyses. Examples of comments are:

"...a magnificent job..." **Senator Robert Dole**

"...most fair and unbiased..." **Judge Charles R. Richey**

"...I have always found your publications most informative..." **Senator Edmund S. Muskie**

"...interesting and educational...required reading for my staff..." **Congressman William M. Ketchum**

"...Your publications are extremely helpful to me..." **Congressman Joel Pritchard**

"...one of the most helpful aids that comes across my desk." **Congressman Tennyson Guyer**

"...An excellent and objective job...Keep up the good work." **Senator William Proxmire**

"...Quite helpful to all of us..." **Senator Harry F. Byrd Jr.**

"...Very, very beneficial..." **Senator Jesse Helms**

"...consistently thoughtful, in-depth, and reliable. They constitute a major resource for me..." **Senator Charles H. Percy**

"The quality...is outstanding..." **Senator Sam Nunn**

"...carefully researched, well-written, and relevant..." **Congressman Bill Archer**

"...outstanding and well-documented..." **Congressman Keith G. Sebelius**

Legislative Analyses

Among the recent Legislative Analyses published by AEI are:

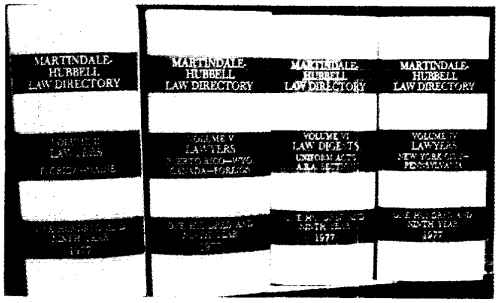
Gun Control

Unemployment Compensation Proposals

National Forest Management Proposals

New Drugs

U.S. Postal Service



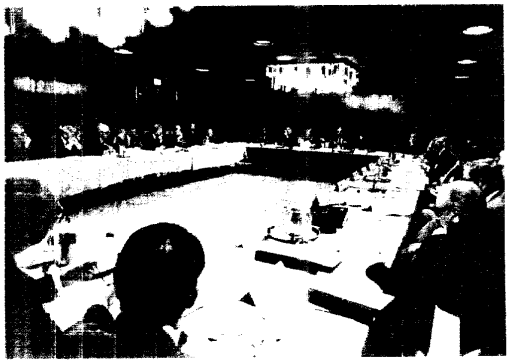
The Competition Policy Proposal
Reducing Unemployment
Regulatory Reform Policy
The Proposed Agency for Consumer Advocacy
The Economic Planning Proposal
Proposals to Prohibit Employment of Illegal Aliens
Land Use Proposals
Antitrust Parens Patriae Bill
The Williams-Javits Pension Reform Proposal
Legal Services Corporation Bill
Newsmen's Privilege Legislation
Proposals to Regulate Consumer Warranties and Expand the Powers of the FTC
The Federal Reserve Audit Bill
National Gas Deregulation Legislation
Metric Conversion Bills
Federal Oil and Gas Corporation Proposals
National Health Insurance Proposals
Reviews — 1975, 1974, 1973, 1972 Sessions of the Congress

Conferences

In order to focus on issues of unusual complexity, AEI sponsors conferences at which leading scholars discuss critical subjects before invited audiences. The proceedings are published for the benefit of the public, academicians and government officials. Recent conferences have covered the following areas:

Income Redistribution (1976). Sponsored jointly by AEI and the Hoover Institution at Stanford University, this conference explored, among its topics, the optimum equality of incomes, income maintenance and the economy, and the progressive income tax. A highlight of the meetings was a televised panel discussion on welfare reform.

Arab and American Cultures (1976). The meetings aimed at developing an appreciation of the vast human diversity in the two cultures. Among those participating in the conference were novelist John Updike, Senator James Abourezk, the Smithsonian Institution's Wilton Dillon and a number of prominent Arab diplomats, artists and academicians. A televised panel discussion, "Can Cultures Communicate?", was part of the conference program.



Blood Policy: Issues and Alternatives (1976). Topics discussed included the benefits and costs of voluntary commercial blood, legal responses to poor quality blood, and available alternatives for guaranteeing a sufficient supply of quality blood.

Federal Chartering of Corporations (1976). Proponents of federal chartering argue that state incorporation laws, under which the overwhelming majority of American corporations are now chartered, are inadequate to protect shareholders and to ensure that corporate behavior will take social needs into account. Conference participants debated the correctness of this proposal.

Issues in Advertising (1976). The conference explored the legal and economic aspects of advertising as it affects industrial performance and consumer welfare. A televised panel discussion of "Advertising and the Public Interest" was a feature of the meetings.

The Economics of Medical Malpractice (1976). Conferees addressed the role of contingency fees and consumer expectations on the propensity to litigate, long-run effects of increased medical malpractice insurance premiums, and possible medical and legal reforms, among other issues. A televised panel discussion was part of the meetings.

Regional Versus National Interests on Energy (1975). Then Vice President Nelson Rockefeller, Oklahoma Governor David Boren, Massachusetts Senator Edward Brooke, then Federal Energy Administrator Frank Zarb, former Secretary of the Interior Stewart Udall and Massachusetts Governor Michael S. Dukakis headed a list of distinguished participants.

Previous AEI conferences included:

Law of the Sea: U.S. Interests and Alternatives (1975)

Conference on Regulatory Reform (1975)

Conference on Offshore Oil (1975)

Recent Political Trends in Scandinavia (1975)

Japan-U.S. Assembly (1974 and 1975)

Eurocurrencies and the International Monetary System (1974)

Drug Development and Marketing (1974)

The Phenomenon of Worldwide Inflation (1974)

Perspectives on Federal Transportation Policy (1974)

Conference on World Oil Problems (1974)

Public Affairs Telecasts

AEI has a continuing series of televised public affairs programs that feature face-to-face discussions of major public issues by authorities of varying views, followed by questions and comments from a panel of experts engaged in making public policy, teaching and writing. Politicians, scholars, industry spokesmen, and journalists take part in the programs.

The program series is entitled **Public Policy Forums,** and has three formats: Rational Debates, Town Hall Meetings and Round Tables. During 1976, programs were carried by some 330 educational and commercial television stations and cablevision systems throughout the country. The shows were also broadcast in 1976 by 131 radio stations and are aired as a series over the Mutual Broadcasting System, the world's largest communications system of more than 680 affiliated stations.

One-hour video and audio cassettes are also made of the programs, and many are on 16mm film as well. These are available to universities and colleges, high schools, government and the private sector. The video cassettes and films are in color. The texts of AEI debates, meetings and round tables are also available in books.

The 1976 series of AEI telecasts included:

National Economic Planning: Right or Wrong for the U.S.? Hubert Humphrey, Herbert Stein, Wassily Leontief, Clarence J. Brown, John Charles Daly

Who's First In Defense, the U.S. or Russia? Melvin R. Laird, Paul Nitze, Thomas J. McIntyre, Charles McC. Mathias, John Charles Daly

Welfare Reform: Why? Wilbur J. Cohen, Paul W. MacAvoy, Barber B. Conable, Jr., Abraham A. Ribicoff, Robert H. Bork

The Federal Budget: What Are the Nation's Priorities? James T. Lynn, Charles L. Schultze, Eileen Shanahan

The Regulation of Political Campaigns: How Successful? John B. Anderson, Eugene J. McCarthy, Fred Wertheimer, Ralph K. Winter, Jr., Lawrence E. Spivak

Busing: Constructive or Divisive? Nathan Glazer, Charles Morgan, Jr., Robert L. Green, Orlando Patterson, Virginia Trotter

Can Cultures Communicate? Samuel P. Huntington, Laura Nader, Mustafa Safwan, Edward Said, Edward Stewart

How Much Defense Spending Is Enough? Les Aspin, Jack Kemp, John Charles Daly

Reforming Federal Drug Regulation Alexander M. Schmidt, Michael Halberstam, Gaylord Nelson, Louis Lasagna, William N. Hubbard, Jr., Jules Bergman

The Future of the United Nations J. William Fulbright, Joseph J. Sisco, Leonard Garment, Larry McDonald, John Charles Daly

Advertising and the Public Interest Robert H. Bork, Tom Dillon, Joan Z. Bernstein, Benjamin Rosenthal, John Charles Daly

The Medical Malpractice Dilemma Otis R. Bowen, Richard Markus, Jeffrey O'Connell, William B. Schwartz, John Charles Daly

Television stations that aired AEI's Public Policy Forums during 1976:

Alabama
WALA Mobile
WSLA Selma

Alaska
KENI Anchorage
KUAC Fairbanks

Arizona
KOAI Flagstaff
KPAZ Phoenix
KBLU Yuma

Arkansas
KTVE El Dorado
KFPW Ft. Smith

California
KAIL Clovis
KECC El Centro
KOCE Huntington Beach
KMIR Palm Springs
KRCR Redding
KIXE Redding
KCRA Sacramento
KVIE Sacramento
KPBS San Diego
KGSC San Jose
KEYT Santa Barbara
KMPH Visalia

Colorado
KREX Grand Junction
KTSC Pueblo
KTVS Sterling

Connecticut
WEDW Bridgeport
WEDH Hartford
WEDY New Haven
WEDN Norwich
WATR Waterbury

District of Columbia
WETA Washington

Florida
WBBH Fort Myers
WTVX Fort Pierce
WUFT Gainesville
WKID Hallandale
WJCT Jacksonville
WSWB Orlando
WXLT Sarasota
WEDU Tampa
WUSF Tampa
WPEC West Palm Beach

Georgia
WHAE Atlanta
WTCG Atlanta

Idaho
KAID Boise
KID Idaho Falls
KIFI Idaho Falls
KMVT Twin Falls

Illinois
WSIU Carbondale
WICD Champaign
WCFC Chicago
WEEK East Peoria
WSIL Harrisburg
WQAD Moline
WGEM Quincy
WREX Rockford
WICS Springfield
WILL Urbana

Indiana
WFYI Indianapolis
WIPB Muncie
WNDU South Bend
WCAE St. John
WTWO Terre Haute
WVUT Vincennes
WLFI West Lafayette

Iowa
WOI Ames
KDUB Dubuque
KVFD Fort Dodge

Kansas
KUPK Garden City
KOAM Pittsburg
KAKE Wichita

Louisiana
KALB Alexandria
WLPB Baton Rouge
WRBT Baton Rouge
KPLC Lake Charles

Maine
WLBZ Bangor
WCSH Portland
WGAN Portland
WAGM Presque Isle

Maryland
WMAR Baltimore
WHAG Hagerstown
WBOC Salisbury

Massachusetts
WGBX Boston

Michigan
WBKB Alpena
WXON Birmingham
WJIM Lansing

Minnesota
KWCM Appleton
KAAL Austin
KAVT Austin
KDAL Duluth
KTTC Rochester
KTCA St. Paul
KTCI St. Paul

Missouri
KFVS Cape Girardeau
KCBJ Columbia
KOMU Columbia
KOZK Springfield
KYTV Springfield
KDNL St. Louis
KSD St. Louis

Montana
KTVQ Billings
KULR Billings
KPAX Butte
KXLF Butte
KRTV Great Falls
KYUS Miles City

Nebraska
KTNE Alliance
KMNE Bassett
KHNE Hastings
KDUH Hay Springs
KLNE Lexington
KUON Lincoln
KRNE Merriman
KXNE Norfolk
KNOP North Platte
KPNE North Platte
KYNE Omaha
KSTF Scottsbluff

New Hampshire
WMUR Manchester

New Jersey
WBTB West Orange

New Mexico
KNME Albuquerque
KIVA Farmington
KRWG Las Cruces
KENW Portales

New York
WNED Buffalo
WSKG Endwell
WLIW Garden City
WNYC New York
WPIX New York
WPTZ Plattsburgh
WOKR Rochester
WXXI Rochester
WKTV Utica

North Carolina
WSOC Charlotte
WRDU Durham
WHKY Hickory

North Dakota
KXMB Bismarck

Ohio
WEAO Akron
WNEO Alliance
WBNS Columbus

Oklahoma
KETA Oklahoma City
KOED Tulsa

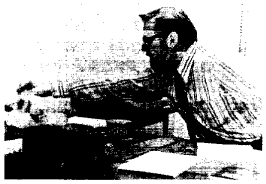
Oregon
KCBY Coos Bay
KOAC Corvallis
KVAL Eugene
KOAP Portland
KPIC Rosebury
KVDO Salem

Pennsylvania
WTAJ Altoona
WNEP Avoca
WICU Erie
WJAC Johnstown
WPHL Philadelphia
WQED Pittsburgh
WTAE Pittsburgh
WDAU Scranton

Puerto Rico
WORA Mayaguez

South Carolina
WGGS Greenville

South Dakota
KDSD Aberdeen
KESD Brookings



KPSD Eagle Butte
KDLO Florence
KHSD Lead
KQSD Lowry
KTSD Pierre
KBHE Rapid City
KOTA Rapid City
KPLO Reliance
KELO Sioux Falls
KYSD Vermillion

Tennessee
WDEF Chattanooga
WTCI Chattanooga
WRCB Chattanooga
WCPT Crossville
WJHL Johnson City
WDCN Nashville

Texas
KRBC Abilene
KFDA Amarillo
KXTX Dallas
KUHT Houston
KNCT Killeen
KMCC Lubbock
KTRE Lufkin
KLTV Tyler

Vermont
WVER Rutland
WVTB St. Johnsbury
WVTA Windsor
WETK Winooski

Virginia
WNVT Annandale
WCYB Bristol
WVPT Harrisonburg
WYAH Portsmouth

Washington
KWSU Pullman
KSTW Tacoma
KTPS Tacoma
KYVE Yakima

West Virginia
WDTV Bridgeport
WCHS Charleston
WOWK Huntington
WOAY Oak Hill
WTRF Wheeling

Wisconsin
WISN Milwaukee
WMVT Milwaukee
WVTV Milwaukee
WAEO Rhinelander

Wyoming
KYCU Cheyenne

Radio stations that carried AEI's Public Policy Forums during 1976:

Alabama
WENN Birmingham
WNAN Demopolis

Alaska
KUAC Fairbanks
KTOO Juneau

Arizona
KNIX Tempe

Arkansas
KUCA Conway
KLRE Little Rock
KHIG Paragould

California
KKUP Cupertino
KBCA Los Angeles
KLBS Los Banos
KHOT Madera
KBDR Merced
KCSM San Mateo
KSJC Stockton

Colorado
KRYT Colorado Springs
KCSU Fort Collins
KCDC Longmont
KLMO Longmont
KWBI Morrison

Conneticut
WPKN Bridgeport

Delaware
WSEA Georgetown

Florida
WLRN Miami
WCVU-
WNOG Naples
WMEZ Pensacola
WUSF Tampa

Georgia
WVMG Cochran
WRBN Warner Robins

Idaho
KMTW Twin Falls

Illinois
WIBI Carlinville
WKKC Chicago
WLRA Lockport
WGLT Normal

Indiana
WLFQ Crawfordsville
WIAN Indianapolis
WBST Muncie
WECI Richmond
WVUB Vincennes

Iowa
KIMI Keokuk
KFJB Marshalltown
KDCR Sioux Center

Kansas
KSWC Winfield

Kentucky
WKCC Grayson

Louisiana
KNOE Monroe
KJOE Shreveport

Maine
WMEH Bangor
WMEA Portland

Maryland
WWIN Baltimore
WCTN Potomac

Massachusetts
WBIM Bridgewater

WZBC Chestnut Hill
WAVM Maynard
WAAF Worcester
WNEB Worcester

Michigan
WMUK Kalamazoo
WNMU Marquette

Minnesota
KUOM Minneapolis

Mississippi
WNJC Senatobia

Missouri
KOPN Columbia
KCLC St. Charles

Montana
KXLF Butte

Nebraska
KEYR Scottsbluff

New Jersey
WBJB Lincroft
WWPH Princeton Junction
WTSR Trenton

New Mexico
KIPC Albuquerque
KLYT Albuquerque

New York
WBXL Baldwinsville
WBFO Buffalo
WCNY Liverpool-Syracuse
WOSS Ossining

North Carolina
WAYS Charlotte
WUAG Greensboro
WPNC Plymouth
WRNC Raleigh
WYRU Red Springs
WSMY Roanoke Rapids
WJRM Troy
WFDD Winston-Salem

Ohio
WGUC Cincinnati
WRUW Cleveland

Oklahoma
KCSC Edmond
KFNB Oklahoma City
KOFM Oklahoma City

Oregon
KBKR Baker
KSLC McMinnville

Pennsylvania
WESS East Stroudsburg
WQLN Erie
WYCR Hanover
WRTI Philadelphia
WDUQ Pittsburgh
WRCT Pittsburgh
WQSU Selingsgrove
WSYC Shippensburg
WVYC York

Puerto Rico
WFID Rio Piedras

South Carolina
WSCI Charleston
WLTR Columbia
WEPR Greenville
WMPR Sumter

South Dakota
KASD Aberdeen
KESD Brookings
KAUR Sioux Falls

Tennessee
WETS Johnson City
WHBQ Memphis

Texas
KCHU Dallas
KUHF Houston
KSHU Huntsville
KOYL Odessa
KWBU Waco

Utah
KLO Ogden

Virginia
WKDE Altavista
WTTX Appomattox
WETA Arlington
WBDY Bluefield
WMRA Harrisonburg
WAGE Leesburg
WFFV Middletown
WPLZ-
WSSV Petersburg
WFOG Suffolk

Washington
KBCS Bellevue
KARI Blaine
KLYN Lynden
KBLE Seattle
KISW Seattle
KRAB Seattle

West Virginia
WVHF Clarksburg

Wisconsin
WBSD Burlington
WLSU LaCrosse
WUWM Milwaukee

Wyoming
KCWC Riverton

Discussion With

AEI has a "Discussion With..." series featuring scholars and other experts on major public policy problems and issues. These discussions provide a forum where experts may meet and examine ideas with persons from government, business, labor and the news media.

The series covers a wide range of topics in informal gatherings where students and scholars can talk with major personalities from public and private life.

AEI has held a "Discussion With...":

David Butler, elections analyst and official fellow, Nuffield College, Oxford, England.

Sir Alex Cairncross, economist, master of St. Peter's College, Oxford, England, and former head of the United Kingdom Government Economic Service.

Alan Carter, American diplomat.

Kent Crane of the United States Information Agency.

Walter DeVries, elections analyst.

Franco Ferrarotti, director of the Institute of Sociology, University of Rome.

Roger A. Freeman, senior fellow, Hoover Institution, Stanford University.

Herbert Giersch, director of the Institute for World Economics, University of Kiel, West Germany.

Armin Gutowski, economist, Bank for Redevelopment, West Germany.

C. Lowell Harriss, professor of economics, Columbia University.

Richard C. Hottelet, CBS News correspondent.

Tony Kase, political journalist and television commentator from Japan.

George Lenczowski, professor of political science, University of California, Berkeley.

Arend Lijphart, professor of political science, University of Leiden, The Netherlands.

Richard Lugar, U.S. senator from Indiana.

Warren Miller, University of Michigan professor and specialist in public opinion research.

Daniel Patrick Moynihan, U.S. senator from New York.

James J. Needham, president, New York Stock Exchange, and former member of the Securities and Exchange Commission.

Chiaki Nishiyama, Japanese economist and professor at Rykkyo University, Tokyo.

Richard Scammon, elections analyst.

George Thomson, Nanyang University, Singapore.

Friedrich von Hayek, Nobel Prize-winning economist and professor emeritus at the University of Chicago, the University of Freiburg, and the University of Salzburg.

C. C. von Weizsacker, University of Bonn.

Murray Weidenbaum, professor of economics, Washington University, St. Louis.

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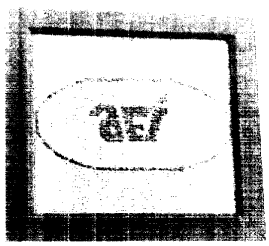

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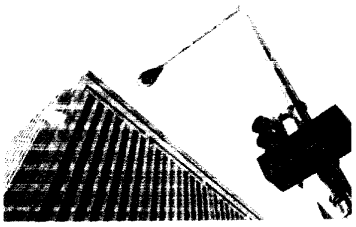

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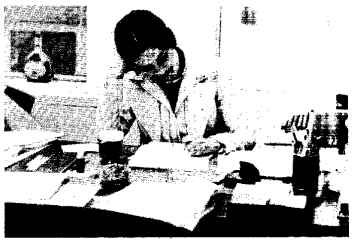

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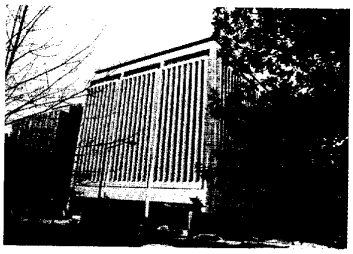
During the bicentennial year, the American Enterprise Institute assembled a distinguished roster of lecturers to discuss the nature and the future of the American Revolution. AEI's intent was to provide through the bicentennial theme an occasion for sober reflection on America's past successes and failures as a nation and, at the same time, an opportunity for the kind of forward thinking so essential to building a better future.

The lecture series, entitled America's Continuing Revolution, was held throughout the country at sites of historic revolutionary significance. The series was videotaped for television and shown over Public Broadcasting Service stations. The lectures are available from the Institute in audio and color video cassettes, in individual paperback pamphlets, and in a single hardback volume of collected essays.



A list of lecturers and their topics follows.

Irving Kristol
The American Revolution as
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Martin Diamond
The Revolution of Sober Expectations

Paul G. Kauper
The Higher Law and the Rights of Man
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Robert A. Nisbet
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Caroline Robbins
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G. Warren Nutter
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The American Press and
the Revolutionary Tradition

Edward C. Banfield
The City and the Revolutionary Tradition

Leo Marx
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and the American Landscape

Ronald S. Berman
American Culture and the
Climate of Revolution

Kenneth B. Clark
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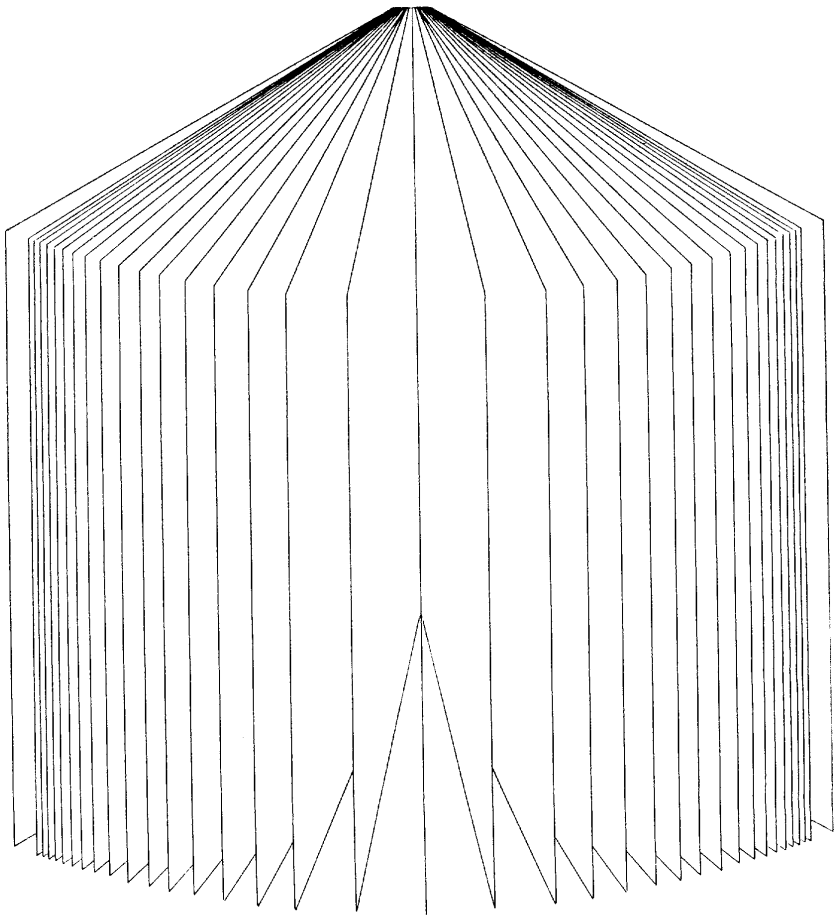

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Issues scheduled for 1977: *Unions in the Military, Fiscal Year 1978 Defense Budget, Panama Canal, Standardization of Arms in NATO, Future of Northeast Asia in U.S. Defense Commitments,* and *All Volunteer Force.*

*Also available in audio and video cassettes. For information, see inside front cover.

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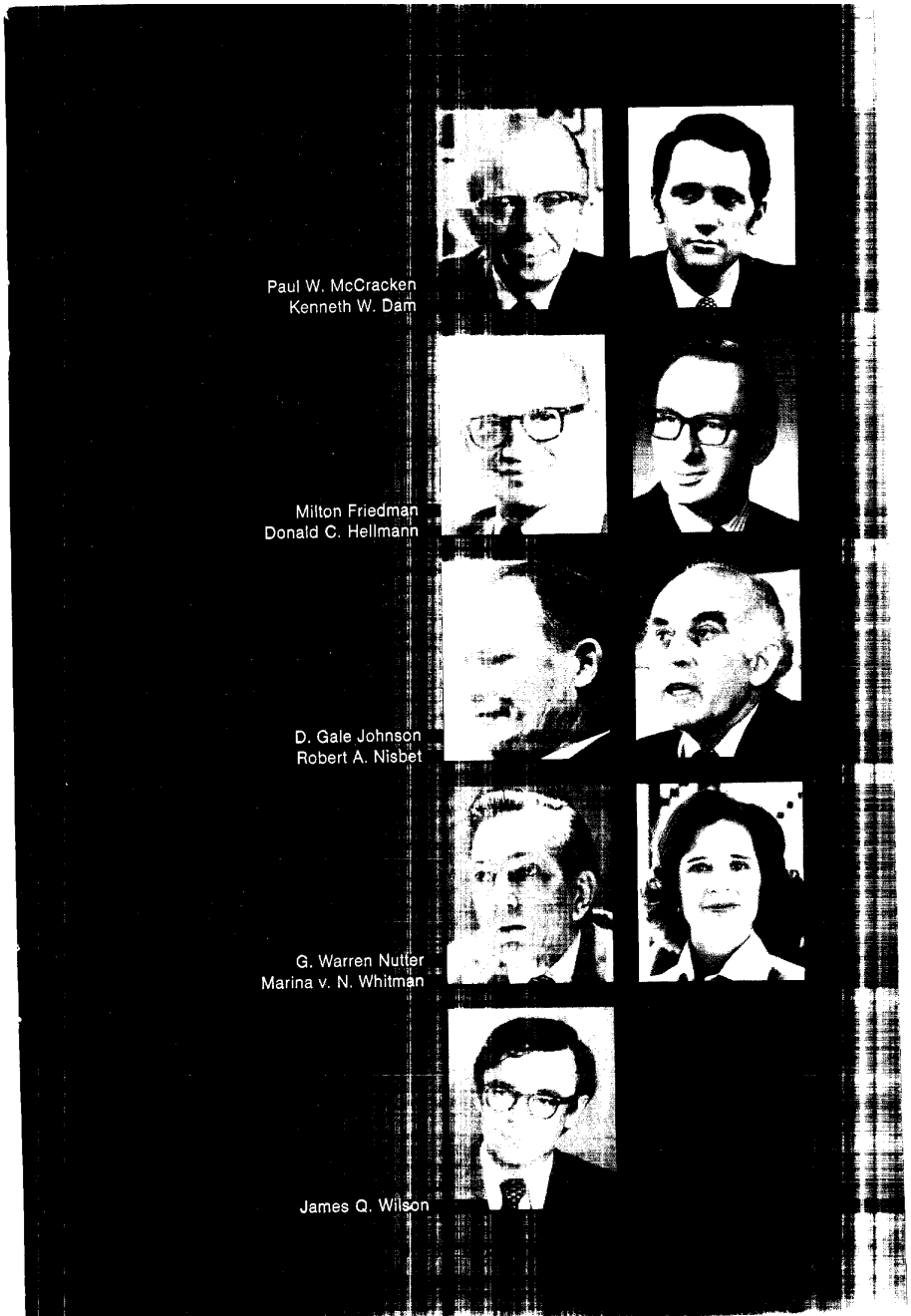

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Competition of ideas is fundamental to a free society.

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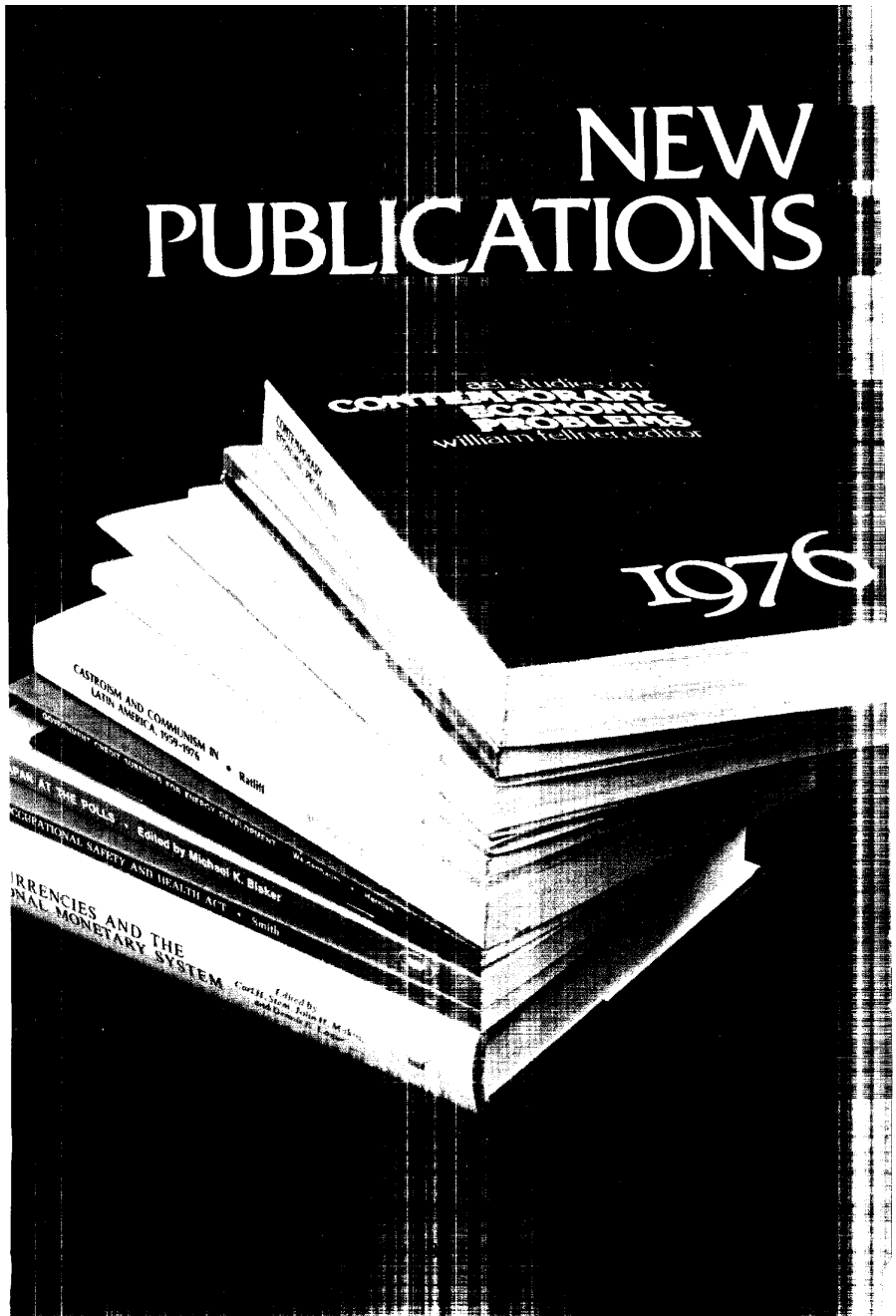
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AEI Studies on Contemporary Economic Problems 1976

Edited by William Fellner

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Eleven studies, at both the microeconomic and the macroeconomic levels, offer the reader a variety of views on our recent stagflation; in addition, a guide to the volume by the editor provides an overview of the entire project. The individual studies and their authors are: Monetary Problems and Policy Choices in Reducing Inflation and Unemployment (Cagan); Fiscal Policy: Reflections on the Past Decade (Stein); Criteria for Demand Management Policy in View of Past Failures (Fellner); Wages, Inflation, and the Labor Market (Kosters); Employment, Unemployment, and the Inflation-Recession Dilemma (Moore); International Interdependence and the U.S. Economy (Whitman); Corporate Taxes and Financing under Continuing Inflation (von Furstenberg); The Problem of Stagflation (Haberler); Reducing Inflationary Pressures by Reforming Government Regulation (Weidenbaum); World and U.S. Food Trends: A Current Perspective for Policy (Carter); and International Raw Materials Developments: Oil and Metals (Erb).

1976 / 369 pp. / 1319-8 $4.00

Détente and Defense: A Reader

Edited by Robert J. Pranger

This volume presents a collection of articles and documents relating to the diplomatic and defense objectives of the United States in relation to the major Communist powers. The articles explore three major topics from a wide range of viewpoints: the central problems of future U.S. foreign policy, the rationale of détente and its various manifestations, and the requirements of U.S. defense strategy. The documents and official statements supply the essential background for an understanding of détente and defense issues.

"Well-balanced. Useful for any academic or large public library and, happily, low-priced: buy it even if you already have such collections." *Library Journal.*

Robert J. Pranger is director of foreign and defense policy studies at the American Enterprise Institute.

1976 / Foreign Affairs Study / 445 pp. / 3227-3 $4.50

Vertical Integration in the Oil Industry

Edited by Edward J. Mitchell

Wesley J. Liebeler, Richard B. Mancke, David J. Teece, and Arthur M. Johnson

The five studies presented here examine the issue of vertical divestiture from legal, economic, and historical standpoints. The articles discuss the legal basis for allowing vertical integration, the state of competition in the oil industry, the capital costs of divestiture, the reasons why an integrated structure is appropriate for this industry, and the effects of the 1911 Standard Oil divestiture.

Liebeler is professor of law at UCLA, Mancke is associate professor of international economic relations at the Fletcher School of Law and Diplomacy, Tufts University, Mitchell is professor of business economics at the University of Michigan and was director of AEI's National Energy Project, Teece is assistant professor of business economics at Stanford, and Johnson is A. and A. Bird professor of history at the University of Maine.

"This book, one of an excellent series by the AEI on energy matters, offers convincing arguments against breaking up the vertical integration of large American-based oil companies." *New Engineer.*

1976 / National Energy Study / 214 pp. / 3218-4 Cloth $9.00 / 3215-X Paper $4.00

Central Economic Planning: The Visible Hand

G. Warren Nutter

Nutter examines the recent revival of interest in central economic planning for the United States against the background of historical experience with planning as a system for organizing social activity. After considering the origins of central planning, the study focuses on French-style planning as the Western prototype and reaches the verdict, after carefully examining its rationale and performance, that it has been a failure. Reviewing the arguments made by advocates of planning in the United States, the author concludes that the system being proposed by the Javits-Humphrey bill would require extensive political coercion and that the advocates bear the burden of proving how American society would be made better through such a revolutionary change.

G. Warren Nutter is Paul Goodloe McIntire professor of economics at the University of Virginia, adjunct scholar of the American Enterprise Institute, and former assistant secretary of defense for international security affairs.

1976 / Domestic Affairs Study / 23 pp. / 3200-1 $1.50

Towards a Reconstruction of Macroeconomics

William Fellner

Fellner maintains that recent failures of monetary and fiscal policy reflect deficiencies in prevailing theories of demand management. Taking available data into account, he discusses the merits and shortcomings of Keynesian and monetarist approaches and develops the lines along which our theories need to be reconstructed.

"This is one of the rare works that can be truly labelled 'required reading' for all serious students of macroeconomic theory and policy. Both Keynesians and monetarists will find some support and some criticism here. And every reader will find a great deal of insight and enlightenment, regardless of how much he agrees or disagrees with its original and provocative conclusions." Arthur M. Okun.

William Fellner is resident scholar, American Enterprise Institute, and Sterling professor of economics, emeritus, Yale University.

1976 / 139 pp. / 1320-1 Cloth $9.00 / 1318-X Paper $4.00

The Occupational Safety and Health Act: Its Goals and Its Achievements

Robert Stewart Smith

The author argues that the safety and health mandate of the act is inconsistent with the promotion of the general welfare and that the government should not force on workers more safety and health than they would choose for themselves. Smith applies cost-benefit analysis to the OSHA noise standard, evaluates the potential and actual effects of OSHA on work injury rates, and recommends specific changes in the federal job safety and health program. According to his findings, job safety can be promoted more effectively and at less cost by fining employers for work-related injuries than by trying to enforce comprehensive safety standards. On the other hand, the characteristics of occupational disease are such as to require the application of health standards.

"Offers some suggestions worth considering as a way of meeting the problems of OSHA." *The Wall Street Journal.*

Robert Stewart Smith is professor of economics, New York State School of Industrial and Labor Relations, Cornell University.

1976 / Evaluative Study / 104 pp. / 3193-5 $3.00

The World Economy, Money, and the Great Depression, 1919–1939

Gottfried Haberler

In this analysis, Professor Haberler traces the monetary course of the Great Depression from country to country and draws lessons for the present. He argues that although the depression had numerous other causes, the situation was exacerbated by monetary policy mistakes. He also argues that because of growing downward rigidity of wages that has occurred since World War I, monetary deflation has become an increasingly serious threat. This is an English version of a paper that initially appeared in *Währung und Wirtschaft in Deutschland 1876–1975,* published by the German Bundesbank (1976).

Gottfried Haberler is Galen Stone professor emeritus of international trade at Harvard University and resident scholar at the American Enterprise Institute.

1976 / Foreign Affairs Study / 44 pp. / 3198-6 $3.00

Government Credit Subsidies for Energy Development

Edited by Murray L. Weidenbaum and Reno Harnish, with James McGowen

This study examines proposals for fostering energy independence in the United States through federal financial assistance to private energy firms. It concludes that credit subsidies are inefficient because they fail to provide the basic market incentives needed to increase domestic energy production. There is no evidence that any specific increase in domestic energy production would result from credit subsidies.

In forming public policy on domestic energy independence, the authors contend, decision makers should consider various alternatives—relying more

on normal market incentives, reducing the severe regulatory barriers against new and existing energy sources, stockpiling petroleum to lower the threat of embargo, and encouraging more effective use of existing energy supplies.

Murray L. Weidenbaum is director of the Center for the Study of American Business at Washington University, St. Louis, Missouri, and an adjunct scholar of the American Enterprise Institute. Reno Harnish is a foreign service officer with the State Department, and James McGowen is a graduate student at Washington University.

1976 / Energy Policy Study / 55 pp. / 3234-6 $3.00

The Robinson-Patman Act: Federal Regulation of Price Differences

Richard A. Posner

This study examines the statute enacted forty years ago to curb anticompetitive price discrimination. Professor Posner argues that the act confuses price discrimination with price differences, that it addresses points having little to do with monopoly, that it is internally self-contradictory, and that if what it tries to do could be done, the result would be to reduce economic efficiency. He especially attacks the view that the act is a weapon to protect the small businessman, noting also that, being designed to prevent low prices, it is a weapon for attacking the consumer. The author concludes that the act serves no function that could not be better performed in its absence, and indeed that it has never been more than a nonsolution to the problems it supposedly addresses. A foreword by Yale Brozen introduces the study.

Richard A. Posner is professor of law at the University of Chicago Law School.

1976 / Evaluative Study in Government Regulation / 53 pp. / 3228-1 $3.00

The Strategic Balance in the Mediterranean

Jesse W. Lewis, Jr.

Analyzing political and military problems facing the United States in the Mediterranean area, this study details the active and dormant disputes in the region and examines the U.S. and Soviet positions—especially naval. Lewis argues that the Mediterranean is vitally important to the United States but receives only sporadic attention as a distinct zone of conflict. He calls for the creation of a permanent Mediterranean task force to monitor developments and make regional policy recommendations. A foreword by Elmo R. Zumwalt, Jr., is included.

"An informative, up-to-date work which provides much data on the Soviet and American naval presences in the Mediterranean, as well as past and potential sources of conflict in the region, but avoids an overly facile evaluation of the 'strategic balance.' " *Foreign Affairs.*

Jesse W. Lewis, Jr., formerly a research fellow at the American Enterprise Institute, joined the Foreign Service in July 1975.

1976 / Foreign Affairs Study / 169 pp. / 3197-8 $3.75

On the Way to a New International Monetary Order

Otmar Emminger

In light of recent economic developments, Emminger foresees a long period of floating exchange rates, with the monetary world divided three ways—into the free-floating currencies, the currencies pegged to them, and the currencies of the European "Snake." There will be a growing recognition that international monetary stability depends upon domestic monetary stability, he believes, but neither a return to fixed par values or to gold nor an expanded role for special drawing rights is likely.

Otmar Emminger is vice-president of the German Bundesbank.

1976 / Foreign Affairs Study / 21 pp. / 3223-0 $1.50

Public Interest Lobbies: Decision Making on Energy

Andrew S. McFarland

This study examines the energy policies advocated by seven public interest groups—Common Cause, the Nader organizations, the League of Women Voters, the Sierra Club, Consumers Union, the Consumer Federation of America's Energy Task Force, and Americans for Energy Independence. Analyzing policies in the light of the characteristics of these groups, McFarland details the constructive role they play in the energy field, and he finds that their prospects for support in the future are bright.

Andrew S. McFarland is a guest scholar at the Brookings Institution.

1976 / National Energy Study / 141 pp. / 3229-X $3.00

Gun Control

The first section of this analysis outlines the legislative history of federal gun control efforts—from 1919 to the bills introduced in the 94th Congress. It includes a summary of the purposes of the primary bills. Section two explores the basic issues that have been debated and presents the major arguments for and against federal gun controls. The last section summarizes the significant provisions of the two major bills and of related proposals.

1976 / Legislative Analysis / 45 pp. / 0175-0 $2.00

Middle East Oil in a Revolutionary Age

George Lenczowski

The legal and economic positions of the international oil industry in the Middle East are analyzed against the background of political upheaval and economic change there. These changes have led to a substantial modification of the industry's earlier, more dominant role. The author sees the struggle for independence and the assertion of national sovereignty as the major trend common to all host countries, with the attitudes of the Arab states also being shaped by

Approved For Release 2004/10/13 : CIA-RDP88-01315R000100180001-7

recurrent Arab-Israeli crises. A major part of this study is devoted to the two crises of 1973–1974, the political embargo and the price increases.

George Lenczowski is professor of political science at the University of California, Berkeley.

1976 / National Energy Study / 36 pp. / 3205-2 $2.50

The Defense Transportation System—Competitor or Complement to the Private Sector?

Clinton H. Whitehurst, Jr.

Should the Department of Defense develop its own capabilities to meet its peacetime transportation needs, or should it depend on the private sector to fill these needs? In a full mobilization, the government would assume control of all U.S. transportation, but what of nonmobilization contingencies? Beginning with a historical examination of these issues, the book introduces the reader to the military commands that now make up the defense transportation system. Operational policies and problems in the Military Sealift Command, the Military Airlift Command, and the Military Traffic Management Command are analyzed, with particular reference to their interface with private transportation. The role of the merchant marine as a naval auxiliary is evaluated and found deficient in a number of respects. The study concludes that, with defense budgets under increasing scrutiny, the private transportation sector can meet most, *if not all*, DOD transportation needs at a significant saving and without impairing overall defense readiness.

Clinton H. Whitehurst, Jr., is a professor of industrial management at Clemson University.

1976 / Domestic Affairs Study / 171 pp. / 3221-4 $4.00

Review: 1975 Session of the Congress and Index of AEI Publications

This annual review of the work of the Congress provides an overview of the work of the 1975 session, a digest of the major laws enacted, and a summary of congressional action on the federal budget. It includes a table documenting the history of the 205 public laws enacted and an index of AEI publications issued in 1975.

1976 / Legislative Analysis / 63 pp. / 0174-2 $2.00

Significant Decisions of the Supreme Court, 1974–75 Term

Bruce E. Fein

This is the sixth in the American Enterprise Institute's continuing series of annual reviews of the work of the United States Supreme Court. Included are summaries of all the major opinions, along with analyses of their impact upon the development of constitutional law and the role of the judiciary in American life. Topics covered include criminal law and procedure, civil rights and civil liberties, and sex discrimination.

Bruce E. Fein, a graduate of the University of California and Harvard Law School, is an attorney with the U.S. Department of Justice. He is a member of the California bar and the American Bar Association.

1976 / Legal Policy Study / 148 pp. / 3232-X $3.00

China's Scientific Policies: Implications for International Cooperation

Charles P. Ridley

The influence of internal political factors on the development of the sciences in China are examined in this study. Ridley traces Chinese scientific trends since 1966, placing special emphasis on developments following the resumption of journal publication in 1972, after a five-year hiatus. A shift away from pure research has been evident, as research has increasingly been focused upon practical applications. The author concludes that Chinese interest in international scientific cooperation and exchange will probably be limited to utilitarian projects in high-priority areas, such as agriculture and health care, or in fields directly relevant to national development.

Charles P. Ridley holds graduate degrees in Chinese from Stanford University and has been a research fellow at the Hoover Institution. His publications include *The Making of a Model Citizen in Communist China* (1973) written in collaboration with Paul H. B. Godwin and Dennis J. Doolin.

1976 / AEI-Hoover Policy Study / 92 pp. / 3222-2 $3.00

Northern Ireland: Time of Choice

Richard Rose

This volume addresses Northern Ireland's most serious problem—the absence of a civil government governing with or without a consensus. In an attempt to resolve this problem, the British government in May 1975 sponsored an election of a constitutional convention in Northern Ireland to recommend the structure of a future government. Rose describes the developments that resulted in direct British rule, the parties to the dispute, the ballot, the many factors leading to deadlock in the constitutional convention, and the choices for the future.

". . . recommended as a thorough and up-to-date discussion." *Library Journal.*

"This book brings the crisis up to date. It is brief and well organized with its theme clearly stated." *Perspective.*

Richard Rose is professor of politics at the University of Strathclyde, Glasgow, Scotland.

1976 / Foreign Affairs Study / 175 pp. / 3206-0 $3.75

Restricted Advertising and Competition: The Case of Retail Drugs

John F. Cady

How do restrictions on the advertising of prescription drug prices affect those prices, as well as levels of service and locational convenience of retail phar-

macies? The principal stimulus for this study was the publication of trade regulation rules by the Federal Trade Commission that would overturn current regulations against the advertising of prescription drug prices. Professor Cady finds that consumers would benefit substantially if the new rules were implemented. The primary benefit would be a savings to retail prescription drug consumers of up to $380 million a year without any significant reduction in the overall level of service.

John F. Cady is assistant professor of business administration at Harvard University. He currently serves as a consultant to the Federal Trade Commission, Bureau of Consumer Protection.

1976 / Domestic Affairs Study / 20 pp. / 3207-9 $1.00

Accounting Standards and International Finance: With Special Reference to Multinationals

Joseph M. Burns

The interrelationships of accounting standards and international finance are examined in this study, which develops new aspects of the theory of futures markets and goes some distance in integrating the accounting and economics disciplines. It focuses on the economic implications of the new accounting standards for multinational corporations. The author shows that the new standards have probably had adverse effects on multinationals and on the system of floating exchange rates. Investment by multinationals has been both curtailed and distorted. In addition, a bias has been introduced against a floating rate system. As the author shows, this bias is unfortunate inasmuch as multinationals realize greater benefits under floating rates than under an adjustable peg system of exchange rates. A principal conclusion of the study is that the introduction of economic value accounting—current value accounting with an adjustment by the general price level where appropriate—appears to be the only way of mitigating the problems arising under existing accounting standards.

Joseph M. Burns is deputy director of monetary research, Office of Assistant Secretary for International Affairs, U.S. Department of the Treasury.

1976 / Domestic Affairs Study / 59 pp. / 3225-7 $3.00

Nuclear Paradox

Michael A. Guhin

Possible international steps to reduce the security risks associated with the peaceful uses of atomic energy are the focus of this study. Current U.S. proposals and additional policy courses are evaluated in light of potential nuclear threats and the global expansion of nuclear energy industries. Guhin contends that efforts to increase international control and cooperation between nuclear supplier and user nations warrant high priority, and he suggests multinational measures for reducing risks.

"Guhin has provided graduate-level readers an excellent synthesis of the nuclear paradox." *Perspective.*

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broad spectrum of views on international negotiations on the law of the sea. U.S. security and economic interests are examined, and a public choice perspective is presented. The volume also contains a review of the Third UN Conference on the Law of the Sea and a discussion of an alternative treaty, as well as an epilogue that reports on the Spring 1975 Geneva negotiations.

1976 / Symposium / 196 pp. / 2073-9 Cloth $9.00 / 2072-0 Paper $4.00

Japan at the Polls: The House of Councillors Election of 1974

Edited by Michael K. Blaker

The critical 1974 election is analyzed within the context of the ongoing political and social processes of contemporary Japan. Herbert Passin, chairman of the Department of Sociology at Columbia University and a member of the university's East Asian Institute, traces the evolution of the House of Councillors system. Gerald L. Curtis, associate professor of political science and director of the East Asian Institute at Columbia, describes the strategies of the parties. Professor Nobuo Tomita, director of the faculty of political science at Meiji University in Tokyo, contributes statistical data. An analysis of the outcome is provided by the editor of the volume, Michael K. Blaker, who directed the Japanese policy studies program sponsored by the United Nations Association. (Other AEI studies of major elections in the democracies of the world are listed in the Foreign Affairs and Defense section of this catalog.)

1976 / Foreign Affairs Study / 157 pp. / 3213-3 $3.00

***Busing: Constructive or Divisive?**

Robert L. Green, Charles Morgan, Nathan Glazer, and Orlando Patterson, with Virginia Trotter, moderator

Experts in law, sociology, and education examine the merits of busing as a means to achieve racial equality in the public schools. The discussion centers on the fundamental questions of whether busing is an effective way to desegregate the schools and improve race relations and whether its impact on the quality of education has, in fact, been positive.

Robert Green, dean of the College of Urban Development at Michigan State University, and Charles Morgan, director of the Washington office of the American Civil Liberties Union, view busing as a necessary remedy to a complex problem and an effective tool in improving educational quality. Orlando Patterson, professor of sociology at Harvard University, and Nathan Glazer, professor of education and sociology at Harvard, stress the importance and success of voluntary desegregation and argue that forced busing often is detrimental to educational quality, black advancement, and racial and social harmony. Virginia Trotter, assistant secretary for education at the Department of Health, Education and Welfare, is moderator.

1976 / Round Table / 45 pp. / 2071-2 $2.00

*Also available in audio and video cassettes. For information, see inside front cover.

Michael A. Guhin is a private consultant on foreign policy, arms control, and international atomic energy affairs. He formerly served as a member of the National Security Council staff.

1976 / Foreign Affairs Study / 77 pp. / 3204-4 $3.00

Drug Regulation and Innovation: Empirical Evidence and Policy Options

Henry Grabowski

The author examines recent studies of the effects of regulation on new product innovation, or the rate of return to R and D investment, and on the shifts of R and D activity abroad by multinational firms. Although none of the studies surveyed is without shortcomings, and although it is difficult to isolate regulatory effects from other factors, the author finds considerable evidence that regulation has been a significant factor in bringing about the erosion of U.S. leadership in pharmaceutical innovation. In order to curb this erosion, Grabowski presents several policy alternatives. A foreword by Yale Brozen is included.

"Let me voice a word of thanks to Henry Grabowski. He has just written a little book that speaks volumes." James J. Kilpatrick, columnist.

Henry Grabowski is a professor of economics at Duke University.

1976 / Evaluative Study / 82 pp. / 3217-6 $3.00

Castroism and Communism in Latin America, 1959–1976: The Varieties of Marxist-Leninist Experience

William E. Ratliff

This volume examines the theories and practices of the Marxist-Leninist organizations seeking political power in Latin America between 1959 and 1976. The book deals with the national objectives and strategies of these organizations, as well as the rivalries between castroite, pro-Soviet, pro-Chinese, and independent Marxist-Leninist groups. The relations of these groups with the communist governments and parties of Cuba, China, and the Soviet Union are also analyzed.

William E. Ratliff is Latin American area editor of the *Yearbook on International Communist Affairs*. In addition to academic publications on Latin American and Chinese history and politics, he has written for the *New York Times*, the *Christian Science Monitor*, the *New Leader*, and *National Review*.

1976 / AEI-Hoover Policy Study / 240 pp. / 3220-6 $4.00

The Law of the Sea: U.S. Interests and Alternatives

Edited by Ryan C. Amacher and Richard James Sweeney

Seyom Brown, Kenneth W. Dam, Ross D. Eckert, Northcutt Ely, Ann L. Hollick, David B. Johnson, James L. Johnston, H. Gary Knight, Dennis E. Logue, John Norton Moore, Myres S. McDougal, Roland McKean, Joseph S. Nye, Robert E. Osgood, Arvid Pardo, Robert D. Tollison, and Thomas D. Willett

The edited proceedings of a February 1975 conference sponsored jointly by the American Enterprise Institute and the U.S. Treasury, this volume offers a

The Future of Private Pension Plans

Norman B. Ture, with Barbara A. Fields

Private pension plans constitute a system of saving and capital formation that now includes over 33 million workers—half of all those employed in the United States outside agriculture and government. The private pension system has succeeded so dramatically in the last thirty-five years principally because of the economies it achieves through favorable tax treatment and through the gains in efficiency of fund management over individual saving. The system faces less favorable conditions in the future, the authors believe, as a result of inflation, the projected growth of social security, and the costs of conforming to the Employee's Retirement Income Security Act of 1974. With a history of successful adaptation to changing conditions, however, the private pension system may well overcome the economic, demographic, and institutional changes in prospect and continue its growth.

Norman B. Ture is president of Norman B. Ture, Inc., an economic consulting firm in Washington, D.C. Barbara A. Fields is an economist with Norman B. Ture, Inc.

1976 / Social Security and Retirement Policy Study / 128 pp. / 3231-1 $3.00

Implications of the 1976 Arab-Israeli Military Status

Robert J. Pranger and Dale R. Tahtinen

Where and how are the weapons in the hands of the warring states likely to be used if there is another outbreak of hostilities? Pranger outlines four zones of possible warfare and argues that present Middle East planning emphasizes warfare by forces that would not be directly engaged in front-line combat. He also presents six hypotheses on the next round of fighting and discusses the implications for U.S. policy. Tahtinen considers the likely uses of the major weapons now in the arsenals of the two sides and, in a detailed appendix, gives specific data on the inventories of the major belligerents.

Robert J. Pranger is director and Dale R. Tahtinen assistant director of foreign and defense policy studies at the American Enterprise Institute.

1976 / Foreign Affairs Study / 49 pp. / 3209-5 $3.00

The World Price of Oil: A Medium-Term Analysis

Hendrik S. Houthakker

Houthakker examines the medium-term (1980–1985) impact of the 1974 increases in crude oil prices by the OPEC cartel. Utilizing a model that predicts oil consumption, production, and price, he finds that even under the most optimistic assumptions the real price of oil is likely to increase—unless the consuming nations undertake countermeasures. OPEC cohesion depends upon a high level of production, Houthakker argues, and, above a determinable price, total OPEC revenues fall off. The levying of a uniform import duty by the importing nations

would exacerbate problems facing OPEC and would transfer a portion of its revenues to the importing nations.

Hendrik S. Houthakker is professor of economics at Harvard University. He is also an adjunct scholar of the American Enterprise Institute and a former member of the Council of Economic Advisers.

1976 / National Energy Study / 37 pp. / 3224-9 $2.50

Reducing Unemployment

The proper role of the national government during a period of unemployment and inflation is a subject of continuing vigorous debate. Proponents of the widely publicized Humphrey-Hawkins bill argue that progress in reducing unemployment has been too slow and that more government-financed jobs are needed. Critics, on the other hand, argue that the public jobs approach would ignite a new round of inflation and lead to another recession. This analysis compares the Humphrey-Hawkins bill with an alternative proposal designed to generate employment through various measures to promote the private sector of the economy.

1976 / Legislative Analysis / 41 pp. / 0177-7 $2.00

***National Economic Planning: Right or Wrong for the U.S.?**

Clarence Brown, Jr., Hubert H. Humphrey, Wassily Leontief, and Herbert Stein, with John Charles Daly, moderator

This Round Table focuses on the controversial Humphrey-Hawkins bill, an effort to achieve full employment and balanced economic growth through central economic planning. Important issues for the American economy are raised: What is national economic planning? Should the federal government become the principal coordinating mechanism for many elements in the U.S. economy? Would national economic planning be useful in combating unemployment, recession, and stagflation? Or would it lead to an ever-growing bureaucracy and economic regimentation?

Participants include Senator Hubert H. Humphrey of Minnesota, one of the bills' sponsors, and Nobel laureate Wassily Leontief, cochairman of the private Initiative Committee for National Economic Planning. On the other side of the issue are Representative Clarence J. Brown of Ohio and Herbert Stein, former chairman of the President's Council of Economic Advisers. John Charles Daly serves as moderator of the discussion.

1976 / Round Table / 51 pp. / 2086-0 $2.00

Colombia's Treatment of Foreign Banks

James E. Boyce and François J. Lombard

This study examines the impact of Colombian Decree 295, requiring foreign banks to become owned jointly with Colombian nationals. The key factors that have determined the treatment of foreign banks in Colombia are reviewed, together

* Also available in audio and video cassettes. For information, see inside front cover.

with the costs and benefits of foreign banking and of Decree 295 as they appear to representatives of the Colombian government, the Colombian banks, and the foreign banks. The authors regard the decree as important not only because it requires a critical decision for the foreign banks but also because of its precedent-setting implications for other Latin American and Third World countries.

James E. Boyce is professor of management at Michigan Technological University. François J. Lombard is assistant professor of business administration at the Université de Droit, d'Economie, et des Sciences d'Aix-Marseille at Aix-en-Provence, France.

1976 / Foreign Affairs Study / 56 pp. / 3212-5 $3.00

Indochina: Prospects after 'The End'

Allan W. Cameron

The North Vietnamese victory in Vietnam has produced a period of instability in Southeast Asia, with the key to the future lying in the policies Vietnam adopts. Domestically, Vietnam will be concerned with the difficulties of unification, while internationally it will play a major role in Indochina and perhaps in all of Southeast Asia. Cameron argues that this situation presents problems for U.S. policy which have not yet been resolved, among them the need to establish more formal relations with Hanoi.

Allan W. Cameron is assistant dean at the Fletcher School of Law and Diplomacy.

1976 / Foreign Affairs Study / 37 pp. / 3210-9 $2.00

Eurocurrencies and the International Monetary System

Edited by Carl H. Stem, John H. Makin, and Dennis E. Logue

Robert Z. Aliber, Polly R. Allen, Fischer Black, William H. Branson, Deane Carson, Richard N. Cooper, David I. Fand, Gottfried Haberler, Richard J. Herring, Zoran S. Hodjera, Peter B. Kenen, Richard C. Marston, Helmut W. Mayer, Hamish McRae, Franco Modigliani, Jurg Niehans, Michael A. Salant, Paolo Savona, Richard J. Sweeney, Alexander K. Swoboda, Thomas D. Willett, Paul Wonnacott

This volume contains the edited proceedings—five major papers, seventeen commentaries, three special notes, and summaries of the discussion—of a conference jointly sponsored by AEI and the U.S. Department of the Treasury. The purpose of the conference was to identify the effects of the growth of Eurocurrencies upon the international monetary system and the implications of these effects for the conduct of national financial policies.

The first of the major papers was presented by John Makin, who provided a longer-run perspective on the role played by Eurocurrency growth in reducing the viability of independent national financial policies and in bringing about general acquiescence to the abandonment of fixed exchange rate parities. The next two papers focused on the workings of international capital markets: Dennis E. Logue, Michael A. Salant, and Richard J. Sweeney investigated the

degree of integration in international capital markets; and Richard J. Herring and Richard C. Marston examined the relationship of the Eurocurrency market to the determination of national interest rates and forward exchange rates. In the last two studies, Thomas Willett considered appropriate national monetary and fiscal policies under alternative exchange rate systems, and Carl H. Stem looked at the advisability of imposing some control on the Eurocurrency system through instruments analogous to those employed in controlling national financial systems.

Carl H. Stem is dean and professor, College of Business Administration, Texas Tech University. John H. Makin is professor, Faculty of Commerce and Business Administration, University of British Columbia, and Department of Economics, University of Wisconsin-Milwaukee. Dennis E. Logue is professor, Amos Tuck School of Business Administration, Dartmouth College.

1976 / Symposium / 413 pp. / 2091-7 Cloth $12.00 / 2090-9 Paper $5.00

***Who's First in Defense—the U.S. or the U.S.S.R.?**

Melvin Laird, Paul Nitze, Thomas McIntyre, and Charles McC. Mathias, with John Charles Daly, moderator

This AEI Round Table presents the diverse opinions of four experts on national security—former Secretary of Defense Melvin R. Laird, Senators Thomas McIntyre and Charles McC. Mathias, and former Deputy Secretary of Defense and SALT delegate Paul Nitze. A wide range of viewpoints emerge among the four discussants on issues such as the relative capabilities of the U.S. and U.S.S.R., the increasing cost of weapons, and the role of arms limitation agreements in mitigating arms competition and expenditure. Moderator of the discussion is John Charles Daly, former ABC News chief.

1976 / Round Table / 39 pp. / 2089-5 $2.00

Brazil in the Seventies

Edited by Riordan Roett

With the continued growth of Brazil's role in inter-American relations and in world affairs, a clear understanding of the pragmatic approach of Brazilian policy makers has become a necessity. Despite the serious constraints on Brazil's economy, the authors of this study find its long-range prospects encouraging.

In this volume, four prominent North American scholars who have written extensively on Brazil look to its future. Werner Baer examines the "miracle" of Brazilian economic development and raises questions about the course of its future growth and distribution. William R. Cline's essay addresses Brazil's position in international economics. Robert A. Packenham discusses Brazil in relation to the Third World—with unorthodox and provocative conclusions. And Thomas E. Skidmore's concluding essay gives an overview of Brazil's foreign policy and international political concerns in the years ahead.

1976 / Foreign Policy Study / 118 pp. / 3230-3 $3.50

*Also available in audio and video cassettes. For information, see inside front cover.

Over-Indexed Benefits: The Decoupling Proposals for Social Security

Colin D. Campbell

The author examines the way social security benefits are currently determined, notes the financial difficulties facing the social security system, and considers recent proposals for "decoupling" cost-of-living increases in benefits paid to those already retired from increases in wage coverage (and therefore eventual increases in benefits) for those still working. Either of the recent decoupling proposals, Campbell concludes, would produce lower costs and greater stability under inflation than if nothing were done.

Colin D. Campbell is professor of economics at Dartmouth College, an adjunct scholar of the American Enterprise Institute, and director of AEI's research project on social security.

1976 / Domestic Affairs Study / 23 pp. / 3211-7 $1.50

Soviet Nuclear Planning: A Point of View on SALT

Lewis Allen Frank

Written from the viewpoint of a hypothetical Kremlin expert, the book reviews the effect of SALT on the strategic-nuclear forces of the U.S.S.R. through the mid-1980s. The U.S.S.R. is shown to have two major variables in its power equation—the size and composition of its forces in relation to those of the United States, and the effect of SALT on its comparative strength. Frank concludes that, in order to maintain a favorable balance for the U.S.S.R., the Soviet planner would recommend at least a threefold increase in Soviet strategic-nuclear warheads by the 1980s. With this buildup, the U.S.S.R. would try to achieve SALT agreements that would reduce the threat of new American strategic systems—perhaps by trading off older Soviet airborne and undersea weapons in exchange for a halt in the Trident, B-1, and Cruise Missile programs and a "go-slow" in upgrading other U.S. systems. And these agreements in turn could lead to a reduction in the SALT ceiling of 2,400 strategic delivery vehicles allowed each side by the 1974 Vladivostok Accord.

1976 / Defense Policy Study / 63 pp. / 3237-0 $3.00

***The Federal Budget: What Are the Nation's Priorities?**

James T. Lynn and Charles L. Schultze, with Eileen Shanahan, moderator

The federal budget for fiscal year 1977 is the subject of this debate between two of the nation's most respected budget experts. James T. Lynn cautions that the country cannot stand annual increases of 10 to 11 percent in federal spending—like those occurring in 1975 and 1976—and argues in favor of holding the increase in outlays for fiscal year 1977 to 5.5 percent. He also stresses a major programmatic initiative, the consolidation of many categorical grant-in-aid programs into a few large block grants. Charles L. Schultze agrees that grants in aid should be consolidated, but opposes the reduction of the dollar value of

*Also available in audio and video cassettes. For information, see inside front cover.

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grants. Schultze contends that if Congress approves this budget as submitted, and if the economy grows at its average pace for previous postwar recoveries, the unemployment rate will still be roughly 7 percent by the end of 1977.

James T. Lynn became director of the Office of Management and Budget in 1975, after serving for two years as secretary of housing and urban development. Charles L. Schultze, a senior fellow with the Brookings Institution, was assistant director and then director of the Bureau of the Budget from 1962 to 1968.

1976 / Rational Debate / 54 pp. / 2085-2 $2.00

Saudi Arabian Development Strategy

Donald A. Wells

The Saudi Arabian five-year development plan announced in 1975 is examined here in light of previous Saudi development experience. This $143 billion plan commits Saudi Arabia to an extensive governmental development effort, a high level of consumption, and continued reliance on international trade. Wells evaluates the viability of the plan, examines the motives underlying its allocations, and proposes American responses to it. He concludes that this development effort coincides with American interests and that our policies should support it.

Donald A. Wells is professor of economics at the University of Arizona and was a consultant to the Saudi government in 1966–1967.

1976 / National Energy Policy / 80 pp. / 3219-2 $3.00

Social Security—The Long-Term Deficit

J. W. Van Gorkom

Using laymen's language and presupposing no particular knowledge of the system on the part of the reader, the study begins with a seldom seen explanation of the method of computing benefits, which explodes popular misconceptions about social security. The author goes on to examine the three major factors that have created the forecasted long-term deficit and concludes with a review of possible methods of attacking the financial problems of the system.

J. W. Van Gorkom has served since 1963 as president of Trans Union Corporation. In 1974 he was a member of the Quadrennial Advisory Council on Social Security and acted as chairman of the Subcommittee on Finance.

1976 / Social Security and Retirement Policy Study / 28 pp. / 3233-8 $1.50

Trucking Regulation: Lessons from Europe

Thomas Gale Moore

The author uses the experience of five European countries—Great Britain, West Germany, Belgium, the Netherlands, and Sweden—for empirical measurement of the impact of regulation on the trucking industry and on shippers. Despite diverse national characteristics, the lessons are clear.

In Great Britain shippers seem generally happy with the results of deregulation. In West Germany regulation has failed to protect the railroads and has created monopoly profits for those possessing trucking licenses. In Belgium, with deregulation, "rates are reasonable, profits modest, service quality good." In the Netherlands, regulation has stabilized the industry, but there is evidence it has created some monopoly in the regular route market. In Sweden deregulation has substantially improved service. The lessons for the United States, the author concludes, are that deregulation improves service, and regulation produces monopoly profits.

Thomas Gale Moore is senior fellow at the Hoover Institution on War, Revolution and Peace, and an adjunct scholar at the American Enterprise Institute for Public Policy Research.

1976 / AEI-Hoover Policy Study / 148 pp. / 3188-9 $3.00

The Japan-U.S. Assembly, Volume II: Proceedings of a Conference on the Threat to the World Economic Order

Morris A. Adelman, Masao Baba, Robert E. Baldwin, C. Fred Bergsten, Richard N. Cooper, James S. Duesenberry, William Fellner, J. Marcus Fleming, Gottfried Haberler, Irving B. Kravis, Edward J. Mitchell, Chiaki Nishiyama, Takuji Shimano, Egon Sohmen, Herbert Stein, Robert Triffin, and Tadao Uchida

This book contains the proceedings of a 1975 conference sponsored by the Conference Board on U.S.-Japan economic policy. It focuses on threats to the world economic order, the appropriate responses of the United States and Japan, and the possibility of increased economic coordination. Other topics discussed in papers—presented by academics with varying viewpoints and analyses—include international inflation and recession, monopoly power and cartels, the international monetary order, and some problems of Japanese economic policy.

1976 / Symposium / 151 pp. / 2083-6 Cloth $8.00 / 2082-8 Paper $3.50

***Offshore Oil: Costs and Benefits**

Brendan Byrne, Jacques-Yves Cousteau, H. J. Haynes, and Royston Hughes, with Tom Bradley, moderator

This volume provides the edited transcript of a Round Table discussion that concluded AEI's two-day conference on *The Question of Offshore Oil* (see page 22 of this catalog). Assistant Secretary of the Interior Royston Hughes and H. J. Haynes, chairman of the board of Standard Oil of California, advocate immediate development of offshore oil reserves. Governor Brendan Byrne of New Jersey and oceanographer Jacques-Yves Cousteau recommend that drilling proceed more slowly, allowing time for the examination of its implications. Mayor Tom Bradley of Los Angeles is moderator.

1976 / Round Table / 47 pp. / 2076-3 $2.00

*Also available in audio and video cassettes. For information, see inside front cover.

Regulatory Reform (Highlights)

Edited by W. S. Moore

Hubert H. Humphrey, Ronald Reagan, Ralph Nader, Hendrik Houthakker, Paul MacAvoy, Gary Seevers, Robert Spann, Charles DiBona, H. E. Frech III, Paul Ginsburg, Thomas Gale Moore, James C. Miller III, Roger Noll, and Ralph K. Winter, Jr.

This booklet comprises a brief edited version of the highlights of the 1975 conference on "Regulatory Reform" cosponsored by AEI and the Hoover Institution. The booklet follows the chronology of the conference, presenting excerpts of general interest that reflect the variety of opinions of the participants.

The full conference proceedings will be published in 1977. A televised panel discussion that was held as part of the conference has been published under the title *Government Regulation: What Kind of Reform?* (page 21 of this catalog).

1976 / Domestic Affairs Study / 65 pp. / 3208-7 $2.00

The Crisis in the Lebanese System: Confessionalism and Chaos

Enver M. Koury

The Lebanese system of power sharing and the way it has responded—or failed to respond—to the revolution of rising expectations are the subject of this study. Using sociological models, the author explores internal and international facets of this crisis. From this base, alternative means of power sharing to help provide a workable solution are proposed.

"All in all, Koury's short work is a stimulating piece of social science writing and a fine introduction to the Lebanese situation." *The Middle East.*

Enver M. Koury is associate professor of political science at the University of Maryland.

1976 / Foreign Affairs Study / 92 pp. / 3216-8 $3.00

***The Financial Crisis of Our Cities**

Sidney Jones, Jacob Javits, Charles Percy, and Hugh Carey, with Melvin R. Laird, moderator

This edited transcript is the record of an AEI Round Table held in Washington on December 10, 1975—New York City's "D-Day." The moderator was Melvin R. Laird and the panelists were Senator Jacob Javits of New York, Senator Charles Percy of Illinois, Governor Hugh Carey of New York, and Assistant Secretary of the Treasury for Economic Policy Sidney Jones. The panelists agreed, though in different degree and with differing emphasis, that New York could find its way back to solvency.

1976 / Round Table / 41 pp. / 2077-1 $2.00

* Also available in audio and video cassettes. For information, see inside front cover.

Approved For Release 2004/10/13 : CIA-RDP88-01315R000100180001-7

Business Cycles in the Postwar World: Some Reflections on Recent Research

Philip A. Klein

Klein contends that classical business cycles and growth cycles are both manifestations of the same underlying economic forces and that the economic indicators used to identify classical cycles can, therefore, with some modification, also be applied to growth cycles. Utilizing indicator techniques, he presents growth cycle chronologies for the United States and for several other important industrial nations.

The monograph then turns to the international transmission of cyclical disturbances and examines, in particular, the popular belief that "when America sneezes, Europe catches cold"—that a reduction in U.S. imports during a recession produces relatively severe contraction in countries whose exports are affected. Klein finds less evidence to support this proposition than the converse proposition that foreign cyclical developments affect U.S. growth cycles by affecting U.S. exports.

Philip A. Klein is professor of economics at The Pennsylvania State University, a member of the research staff of the National Bureau of Economic Research (where he did much of the work on which this monograph is based), and an adjunct scholar of the American Enterprise Institute.

1976 / Domestic Affairs Study / 51 pp. / 3201-X $3.00

***Government Regulation: What Kind of Reform?**

Hubert H. Humphrey, Ronald Reagan, Hendrik Houthakker, and Ralph Nader, with Eileen Shanahan, moderator

Four prominent public figures discuss an important issue of current interest—regulatory reform.

Ralph Nader and Senator Hubert Humphrey stress the need for stringent regulation in the health and safety areas and greater accountability on the part of regulators to both the Congress and the public. Governor Ronald Reagan and Harvard Professor Hendrik Houthakker present the view that, while some regulation is needed in the health and safety areas, many present regulations are excessive, unreasonably costly, and not in the public interest. This publication provides the edited transcript of the discussion that concluded a two-day conference sponsored by AEI and the Hoover Institution (see also *Regulatory Reform* on page 20 of this catalog).

1976 / Round Table / 60 pp. / 2070-4 $2.00

***Energy Policy: A New War between the States?**

David Boren, Edward Brooke, Stewart Udall, and Frank Zarb, with Melvin R. Laird, moderator

This Round Table discussion focuses on differences in energy policy among regions. Although the four panelists represent distinctive views, they reach

*Also available in audio and video cassettes. For information, see inside front cover.

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general agreement in support of several propositions—that the energy crisis is real, that policy makers must make this clear to their constituents, and that the price of oil and natural gas should be deregulated. Governor David Boren of Oklahoma, Senator Edward Brooke of Massachusetts, former Secretary of the Interior Stewart Udall, and Federal Energy Administrator Frank Zarb participate in this discussion. Melvin R. Laird, chairman of AEI's National Energy Project, is the moderator. This publication provides the edited transcript of the discussion that concluded the AEI conference *Energy: Regional Goals and the National Interest* (see page 25 of this catalog).

1976 / Round Table / 35 pp. / 2074-7 $2.00

The Question of Offshore Oil

Edited by Edward J. Mitchell, with a foreword by Tom Bradley

Brendan Byrne, E. J. Cahill, Jacques-Yves Cousteau, John Devanney, Robert Dorfman, Darius Gaskins, William Hargis, L. P. Haxby, H. J. Haynes, Barbara Heller, Royston Hughes, J. R. Jackson, Jr., Robert Knecht, Charles Matthews, Walter Mead, Leonard Meeker, William Menard, Richard Perrine, William Radlinski, Francis Sarguis, Carl Savit, Robert Solomon, and Irvin L. White

This volume presents the edited proceedings of a two-day conference in which oil industry spokesmen, environmental groups, economists, scientists, and government officials set forth differing views on offshore oil. Four papers consider the value of offshore oil, its environmental impact, its social benefit versus its cost, and the appropriate pace for offshore drilling. The conference concluded with a Round Table, *Offshore Oil: Costs and Benefits* (see page 19 of this catalog).

1976 / Symposium / 161 pp. / 2079-8 Cloth $8.00 / 2078-X Paper $3.50

U.S. Postal Service—Reorganization Proposals

Proponents of the 1970 Postal Reorganization Act expected the U.S. Postal Service to become a self-sufficient operation. However, despite continued subsidies and rate increases, the service is operating at a huge deficit, and the public does not seem willing to bear more rate increases for services it sees as less than adequate. The Reorganization Act of 1970 authorized the Postal Service to operate as "an independent establishment." But many members of Congress favor requiring the service to deposit its revenues in the U.S. Treasury and come to Congress each year for its appropriations. Thus the Congress would once again hold the purse strings and review the operation of the Postal Service. The analysis reviews the arguments for and against this proposal and other approaches to the problem.

1976 / Legislative Analysis / 29 pp. / 0180-7 $2.00

***Reforming Federal Drug Regulation**

Alexander M. Schmidt, Gaylord Nelson, William N. Hubbard, Jr., Louis Lasagna, and Michael Halberstam, with Jules Bergman, moderator

This AEI Round Table examines questions surrounding the development, testing, and marketing of new drugs in the United States. Among the questions considered are these: Do U.S. consumers have better protection against unsafe drugs than do consumers abroad? Has regulation by the Food and Drug Administration caused a "drug lag" for American doctors and patients? Should the FDA be given more powers of enforcement? Should the entire process of introducing new drugs be streamlined?

The panelists are Dr. Michael J. Halberstam, practicing physician and writer; Dr. William N. Hubbard, Jr., president of the Upjohn Company; Professor Louis Lasagna, chairman of the Department of Pharmacology and Toxicology, the University of Rochester; United States Senator Gaylord Nelson, Democrat from Wisconsin; and Dr. Alexander M. Schmidt, commissioner of the Food and Drug Administration. Jules Bergman, science editor of ABC News, is the moderator.

1976 / Round Table / 40 pp. / 2084-4 $2.00

Financial Crisis in the Social Security System

Robert S. Kaplan

This study examines the problems that have resulted from two important developments: the decline in the birth rate in the United States, and the 1972 social security legislation adopting an indexing method that overcompensates for inflation. Although a short-term deficit currently exists in the social security accounts, the most severe test of the system is expected to occur in the next century. Kaplan examines the various measures that could be taken by Congress to alleviate the short-run deficit and to lower the rising costs of financing social security benefits in the future. He concludes with an urgent plea that Congress take immediate steps to ensure the future financial stability of the social security system.

Robert S. Kaplan is professor of industrial administration at Carnegie-Mellon University.

1976 / Domestic Affairs Study / 18 pp. / 3214-1 $1.50

***Welfare Reform: Why?**

Wilbur J. Cohen, Barber B. Conable, Jr., Paul W. MacAvoy, and Abraham A. Ribicoff, with Robert H. Bork, moderator

Why have welfare costs skyrocketed in recent years? Do these rising costs prove that our welfare machinery is defective? Are there more efficient and more equitable ways to provide for the nation's poor? Can our present programs be improved by minor changes, or is a sweeping overhaul required? What are the advantages and disadvantages of the negative income tax? And can proposals to reform our welfare system win political acceptance?

*Also available in audio and video cassettes. For information, see inside front cover.

This volume presents views on these and other questions by four experts: Senator Abraham A. Ribicoff of Connecticut, a former secretary of the Department of Health, Education and Welfare; Congressman Barber B. Conable, Jr., of New York, a senior member of the House Ways and Means Committee; Wilbur J. Cohen, dean of the School of Education at the University of Michigan and a former secretary of HEW; and Paul W. MacAvoy, a member of the President's Council of Economic Advisers. Serving as moderator of this AEI Round Table is Robert H. Bork, solicitor general of the United States.

1976 / Round Table / 41 pp. / 2087-9 $2.00

***How Much Defense Spending Is Enough?**

Jack Kemp and Les Aspin, with John Charles Daly, moderator

Two congressmen with different views discuss how to determine the size of the U.S. defense budget. Jack Kemp contends that U.S. expenditures should be determined in light of the military capabilities of the Soviet Union. The steady growth of the Soviet military poses a threat that should be met, he believes, by expanding the American forces. Les Aspin contends that U.S. defense spending should be determined by the capabilities required to defend national security interests; Soviet expenditures should not be the prime determinant of American defense outlays. Aspin argues that at the present time a small defense spending increase would suffice.

Kemp serves on the House Appropriations Committee's Subcommittee on Defense, and Aspin is a member of the House Armed Services Committee.

1976 / Rational Debate / 64 pp. / 2092-5 $2.00

The Hatch Act: A Civil Libertarian Defense

John R. Bolton

Does barring federal civil servants from partisan political activity restrict or protect their First Amendment rights? The author argues in favor of the latter view. Acknowledging that the First Amendment may be cited in support of either side of the question, he concludes that the Hatch Act is necessary to protect government employees from political coercion by their supervisors and unions and to protect the citizenry from a politically active as well as a politically powerful government bureaucracy. In this view, the Hatch Act essentially represents government regulation of its own coercive power in order to protect the First Amendment rights of the citizens to engage in political endeavors.

John R. Bolton, a Washington attorney was one of the counsel for James Buckley and Eugene McCarthy in their suit against the Federal Election Campaign Act Amendments of 1974. He is coauthor (with Ralph Winter) of *Campaign Financing and Political Freedom* (American Enterprise Institute, 1973).

1976 / Domestic Affairs Study / 22 pp. / 3202-8 $1.50

*Also available in audio and video cassettes. For information, see inside front cover.

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***Freedom of the Press**

Floyd Abrams, Edward J. Epstein, William B. Monroe, Jr., Jack Nelson, Kevin P. Phillips, Antonin Scalia, Charles Seib, Clay T. Whitehead, and Ralph K. Winter, Jr., with William Ruckelshaus and Elie Abel, moderators

This Round Table presents a two-part discussion of the protections accorded the media under the First Amendment and of the problems of broadcast regulation. The first part, moderated by former Deputy Attorney General William Ruckelshaus, engages a distinguished panel of newsmen, lawyers, and media critics in a lively discussion of current First Amendment problems. The debate centers on the issues of newsman's privilege, libel, and the publication of classified materials.

Elie Abel, dean of the Columbia Graduate School of Journalism, leads the second panel in a discussion of regulation of the broadcast media. The panelists, experts in the fields of law, telecommunications policy, and broadcast journalism, focus on the issues of access to the media and the application of the First Amendment to radio and television.

1976 / Round Table / 101 pp. / 2075-5 $2.50

Energy: Regional Goals and the National Interest

Edited by Edward J. Mitchell

Jim Bishop, David Boren, Edward W. Brooke, Pete V. Domenici, Michael J. Dukakis, Melvin R. Laird, James C. Langdon, Charles Murphy, Nelson Rockefeller, Milton Russell, Jill Schuker, Stewart Udall, and Frank Zarb

Regional conflicts over the nation's energy policy are discussed by industry representatives, environmentalists, and lawmakers in these conference proceedings. Major topics addressed include regional economic interests in energy, U.S. energy self-sufficiency (by Vice President Nelson Rockefeller), and compatibility of producer and consumer interests. Concluding the volume is an abridged transcript of a Round Table discussion, *Energy Policy: A New War between the States?* (see page 21 of this catalog).

1976 / Symposium / 101 pp. / 2081-X Cloth $8.00 / 2080-1 Paper $3.50

Regulatory Reform—A Survey of Proposals in the 94th Congress

In addition to discussing the history and scope of federal regulation, this publication describes the numerous regulatory reform measures introduced in the 94th Congress (1975–76) and examines the continuing debate on the approaches that should be enacted. Included are useful listings of regulatory agencies by subject, function, date of establishment, personnel, and budget, and a selected bibliography on government regulation and regulatory reform.

1976 / Legislative Analysis / 60 pp. / 0182-3 $2.00

*Also available in audio and video cassettes. For information, see inside front cover.

***Affirmative Action: The Answer to Discrimination?**

Owen Fiss, Richard Posner, Vera Glaser, William Raspberry, and Paul Seabury, with Ralph K. Winter, Jr., moderator

Representatives from legal and academic institutions join members of the media in this lively Round Table on the legal and moral consequences of a controversial federal program for combating discrimination. The debate centers on these broad questions: How far should the government intrude upon the private sector in dictating goals to eliminate discrimination? Should performance capabilities be the sole criterion in hiring? Do affirmative action programs entail preferential treatment? If so, is preferential treatment constitutional? Is there a distinction between goals and quotas? Has the Department of Health, Education and Welfare been successful in its enforcement of affirmative action guidelines?

1976 / Round Table / 40 pp. / 2069-0 $2.00

***Can Cultures Communicate?**

Samuel Huntington, Laura Nader, Mustafa Safwan, and Edward Said, with Edward C. Stewart, moderator

This edited transcript of an AEI Round Table centers on the problems of intercultural communications from the perspectives of four related but distinct disciplines—psychoanalysis, literature, politics, and anthropology. The discussion, part of a two-day conference on Arab and American cultures, includes exchanges of views on ethnocentricity, the use of stereotypes in depicting other cultures, linguistic barriers to communication, and Western ignorance of modern Arab cultures. Although the participants deal principally with Arab-American relations, the concepts explored here apply to other cultures as well.

Participants in the Round Table are: Samuel P. Huntington, professor of government, Harvard University; Laura Nader, professor of anthropology, University of California, Berkeley; Mustafa Safwan, an Egyptian psychoanalyst, living in Paris; and Edward Said, professor of English and comparative literature, Columbia University. Edward C. Stewart, currently visiting professor of communications, University of Minnesota, acts as moderator for the discussion.

1976 / Round Table / 33 pp. / 2093-3 $2.00

New Drugs—Pending Legislation

How can the Food and Drug Administration keep unsafe drugs off the market and at the same time ensure the release of new drugs without undue delay? Why are useful drugs available in other countries before they are available in the United States? This analysis explains the process by which new drugs are developed and regulated and discusses two major bills to change the regulatory process. The reader is offered an insight into possible outcomes should particular changes be enacted.

"Provides an invaluable reference for analysts in industry, government, or the press. It contains the key citations from the most representative protagonists

* Also available in audio and video cassettes. For information, see inside front cover.

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on all sides of the current debate over how the present drug regulatory process should be 'reformed' or restructured." *PMA Review.*

1976 / Legislative Analysis / 59 pp. / 0179-3 $2.00

***Advertising and the Public Interest**

Joan A. Bernstein, Robert H. Bork, Tom Dillon, and Benjamin Rosenthal, with John Charles Daly, moderator

Representatives of government and of the legal and advertising professions discuss issues such as: Can an innovative newcomer break into a field dominated by a few corporations with huge advertising budgets? Does advertising perpetuate monopoly or is it the best means of combating it? Should the same criteria of truthfulness apply to campaign oratory as to advertising? Does government regulation of advertising help protect consumers, or does it instead add unnecessary costs while infringing on First Amendment guarantees of free speech? This AEI Round Table was part of a two-day conference, *Issues in Advertising: The Economics of Persuasion,* the proceedings of which will be published in 1977.

Participating in the Round Table are Joan A. Bernstein, acting director of the Federal Trade Commission's Bureau of Consumer Protection; Robert H. Bork, solicitor general of the United States; Tom Dillon, chairman of Batten, Barton, Durstine, and Osborn; and Benjamin Rosenthal, U.S. Representative from New York. John Charles Daly acts as moderator.

1976 / Round Table / 40 pp. / 2088-7 $2.00

Unemployment Compensation Amendments

In 1976 the Congress enacted amendments to expand the unemployment compensation system. Among other things, these amendments extended coverage to approximately 8.5 million workers, mainly employees of state and local governments, and increased unemployment compensation taxes. The legislative background is summarized and the main arguments for and against the amendments are analyzed.

1976 / Legislative Analysis / 73 pp. / 0176-9 $2.00

The Competition Policy Proposal

This analysis examines a bill proposed by Senator Edward Kennedy that would provide standards for federal agencies to follow in determining whether to take actions having possible anticompetitive effects. Federal agencies would be directed to integrate antitrust considerations into all phases of their operations and to review their statutory authority, rules, and regulations to determine whether changes are needed to strengthen procompetitive policies.

1976 / Legislative Analysis / 25 pp. / 0181-5 $2.00

*Also available in audio and video cassettes. For information, see inside front cover.

National Forest Management Proposals

The national forests of the United States produce cash revenues from timber sales ranging from $400 million to $500 million annually. Managed by the government for outdoor recreation, wildlife, and the production of timber, these forests include more than half of the standing softwood timber in the country. A major issue in their management is that in many areas timber production cannot be increased unless old stands are harvested and replaced by new, more economical, faster-growing stands. This is difficult to accomplish, however, while at the same time accommodating the demands of groups primarily concerned with protection of the environment. A bill to deal with this and other forest management issues was enacted in 1976. The analysis covers the background of the new law and the congressional debate on this important legislation.

1976 / Legislative Analysis / 37 pp. / 0178-5 $2.00

The Criminal Justice System

This special analysis explores the 1976–77 national high school debate topic: "How can the criminal justice system in the United States best be improved?" It examines such subjects as reform of the prison system, revision of criminal trial procedures, and proposals for gun control. An extensive bibliography is included.

1976 / High School Debate / 131 pp. / 1827-0 $2.00

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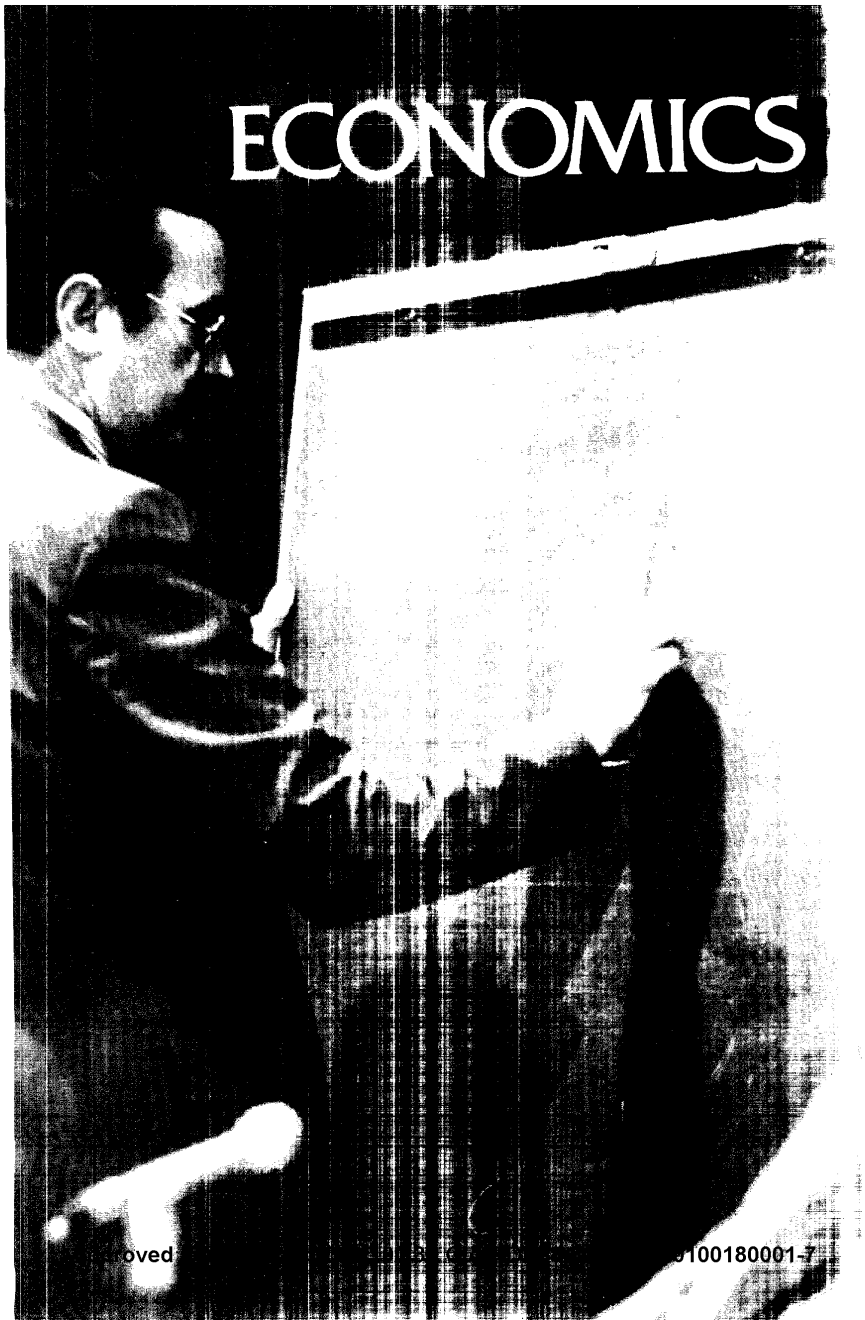

BOOKS AND MONOGRAPHS

Accounting Standards and International Finance, Burns. *See* New Publications, p. 10.

Advertising and the Public Interest (RT). *See* New Publications, p. 27.

AEI's Budget and Resource Allocation Projection Model
Paul N. Courant, William H. Branson, Attiat F. Ott, Roy A. Wyscarver
1973/116 pp./3110-2 $5.00

AEI Studies on Contemporary Economic Problems/1976, ed. Fellner. *See* New Publications, p. 3.

Affirmative Action: The Answer to Discrimination? (RT). *See* New Publications, p. 26.

Airports and Congestion: A Problem of Misplaced Subsidies
Ross D. Eckert
1972/ES/71 pp./3083-1 $3.00

The Balance of Payments: Free Versus Fixed Exchange Rates
Milton Friedman and Robert V. Roosa
1967/RD/193 pp./2005-4 $4.50

Brazil in the Seventies, ed. Roett. *See* New Publications, p. 16.

Brazil's Trotting Peg
Juergen B. Donges, with a foreword by Gottfried Haberler
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The Burke-Hartke Foreign Trade and Investment Proposal
1973/LA/39 pp./0151-3 $2.00

Business Cycles in the Postwar World, Klein. *See* New Publications, p. 21.

Can Regulatory Agencies Protect the Consumer? Cohen and Stigler. *See* Government and Politics.

Case for Moderation in the Economic Recovery of 1971
William Fellner
1971/SA/31 pp./1050-4 $2.00

Central Economic Planning, Nutter. *See* New Publications, p. 4.

College Housing: A Critique of the Federal College Housing Loan Program
John J. Agria, with a foreword by Yale Brozen
1972/ES/105 pp./3074-2 $3.00

Colombia's Treatment of Foreign Banks, Boyce and Lombard. *See* New Publications, p. 14.

The Competition Policy Proposal (LA). *See* New Publications, p. 27.

Comprehensive National Medical Care (CD). *See* Government and Politics.

Consolidated Grants: A Means of Maintaining Fiscal Responsibility
George C. S. Benson and Harold F. McClelland
1961/LRS/41 pp./3030-0 $1.00

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Marvin H. Kosters, in association with J. Dawson Ahalt. Foreword by George P. Shultz
1975/DAS/135 pp./3180-3 $3.50

Correcting Taxes for Inflation
William Fellner, Kenneth W. Clarkson, and John H. Moore
1975/DAS/47 pp./3174-9 $2.50

Coverage of Out-of-Hospital Prescription Drugs under Medicare
Robert J. Myers
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John P. Gould
1971/SA/44 pp./1061-X $3.00

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Richard E. Wagner
1973/DAS/63 pp./3100-5 $3.00

A Discussion with Friedrich A. von Hayek
1975/DAS/20 pp./3190-0 $1.50

Drug Development and Marketing
Edited by Robert B. Helms. Papers by Kenneth L. Melmon, Lewis B. Sheiner, Barr Rosenberg, Sam Peltzman, Mitchell B. Balter, David Schwartzman, Robert Ayanian, Thomas Stauffer, Harold Clymer, Louis Lasagna, William Wardell, Lester Telser, Douglas Cocks, Bernard Kemp
1975/SYM/300 pp./2063-1 Cloth $9.00/ 2062-3 Paper $4.00

Drug Regulation and Innovation, Grabowski. *See* New Publications, p. 11.

Economic Planning and the Improvement of Economic Policy
Herbert Stein
1975/DAS/33 pp./3183-8 $2.00

The Economic Planning Proposal
1975/LA/25 pp./0171-8 $2.00

Economic Policy and Inflation in the Sixties
Phillip Cagan, Marten Estey, William Fellner, Charles E. McLure, Jr., and Thomas Gale Moore
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Edited by Henry G. Manne. Papers by Harold Demsetz, George J. Benston, William J. Baumol, John Lintner, Jr., Irwin Friend, Allan H. Meltzer, Oliver E. Williamson, Armen A. Alchian
1969/SYM/385 pp./2015-1 $3.50

Economic Policy for the Farm Sector
Hendrik S. Houthakker
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Edited by Simon Rottenberg. Conference proceedings with papers by James M. Buchanan, William E. Cobb, John Ll. J. Edwards, J. Patrick Gunning, Jr., Paul B. Horton, Francis A. J. Ianni, Gregory Krohm, Llad Phillips, Paul H. Rubin, Jan Stepán, and Charles R. Tittle
1973/SYM/232 pp./2042-9 Cloth $8.50/ 2041-0 Paper $4.00

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James C. Hite, Hugh H. Macaulay, James M. Stepp, and Bruce Yandle, Jr.
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***The Economy and Phase IV**
John T. Dunlop, Charls Walker, Gary Seevers and Yale Brozen, with Paul W. McCracken (moderator)
1973/RT/36 pp./2045-3 $2.00

Employment Effects of Minimum Wage Rates
John M. Peterson and Charles T. Stewart, Jr.
1969/LRS/171 pp./3065-3 $2.00

Employment Policy at the Crossroads: An Interim Look at Pressures To Be Resisted
William Fellner
1972/DAS/28 pp./3091-2 $2.00

*Also available in audio and video cassettes. For information, see inside front cover.

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***The Energy Crisis**
Clifford P. Hansen, Morris K. Udall, Charles E. Spahr, Mike McCormack, Jennings Randolph, Mark O. Hatfield, Dixy Lee Ray, Philip H. Trezise, J. William Fulbright, John N. Nassikas, George W. Ball, and Charles J. DiBona, with Paul W. McCracken (moderator)
1974/RT/110 pp./2047-X $2.00

Energy Policy: A New War between the States? (RT). *See* New Publications, p. 21.

Energy Self-Sufficiency: An Economic Evaluation
M.I.T. Energy Laboratory Policy Study Group
1974/NES/89 pp./3144-7 $3.00

Essays on Inflation and Indexation
Herbert Giersch, Milton Friedman, William Fellner, Edward M. Bernstein, and Alexandre Kafka
1974/DAS/98 pp./3139-0 $3.00

Eurocurrencies and the International Monetary System, ed. Stem, Makin, and Logue. *See* New Publications, p. 15.

The Expected Return from Pharmaceutical Research: Sources of New Drugs and the Profitability of R&D Investment
David Schwartzman
1975/ES/57 pp./3159-5 $3.00

Farm Commodity Programs: An Opportunity for Change
D. Gale Johnson
1973/ES/114 pp./3101-3 $3.00

The Federal Budget (RD). *See* New Publications, p. 17.

Federal Budgeting: The Choice of Government Programs
Murray L. Weidenbaum
1964/LRS/99 pp./3044-0 $1.00

The Federal Government and Manpower: A Critical Look at the MDTA-Institutional and Job Corps Programs
Dave M. O'Neill
1973/ES/65 pp./3109-9 $3.00

Federal Oil and Gas Corporation Proposals
1974/LA/96 pp./0165-3 $2.00

The Federal Reserve Audit Proposal (LA). *See* Government and Politics.

Federal Revenue Sharing
National college debate topic
1969/CD/131 pp./1814-9 $3.00

Federal Transit Subsidies: The Urban Mass Transportation Assistance Program
George W. Hilton
1974/ES/131 pp./3133-1 $3.00

Financial Crisis in the Social Security System, Kaplan. *See* New Publications, p. 23.

The Financial Crisis of Our Cities (RT). *See* New Publications, p. 20.

Fiscal Policy and Business Capital Formation
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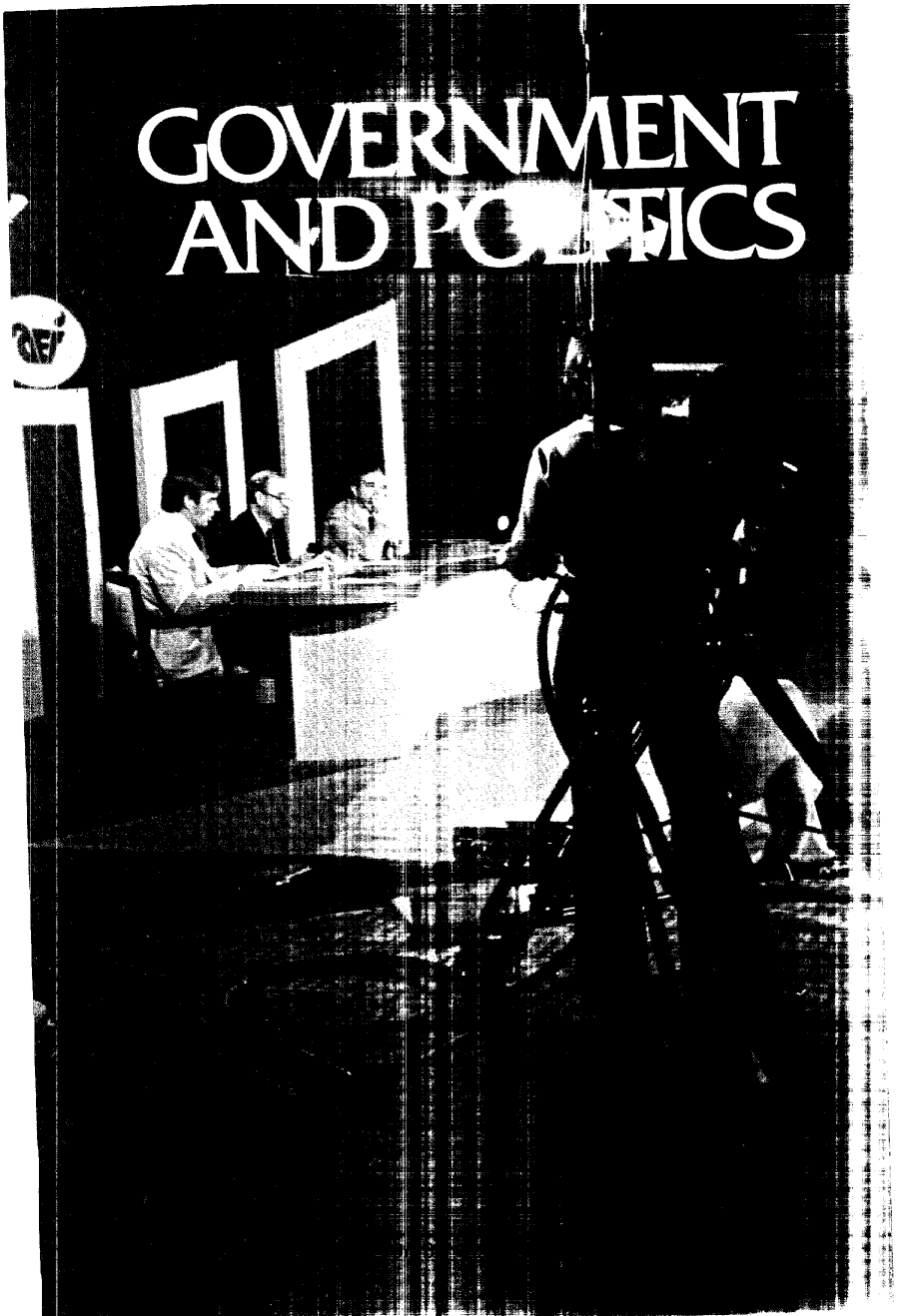
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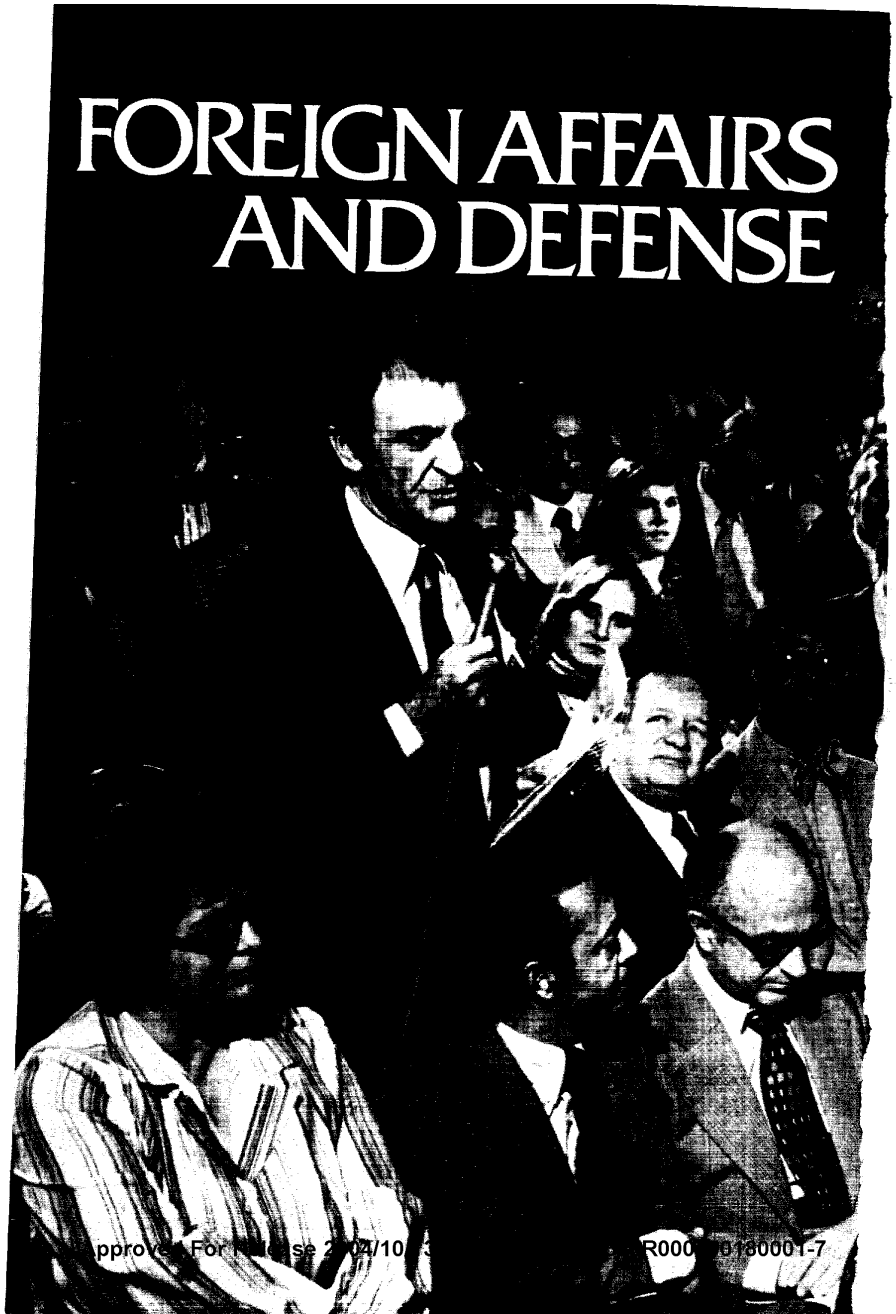

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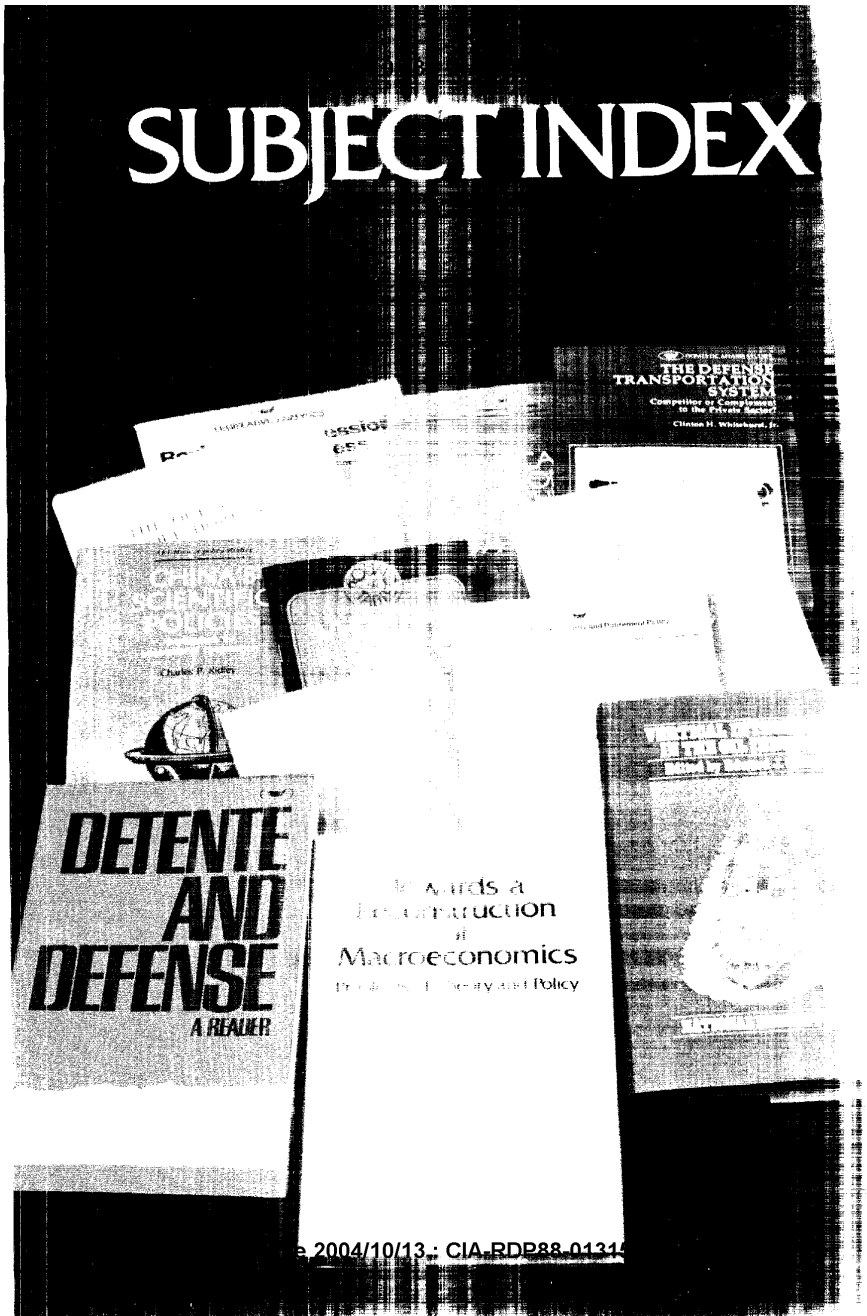

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Public Opinion
Magazine

American Enterprise Institu
1150 Seventeenth Street, N.

Dear Reader:

Public opinion, Mark Twain once wrote, is "held in reverence. It settles everything. Some think it is the voice of God."

Pollsters collect it.
Scholars ponder it.
Businessmen sell by it.
Politicians swear by it.
And idealists swear at it.

Yet how many of us truly understand it? As much as we may talk about it, most of us know only as much about public sentiments as we can glean from snippets and snappets in the newspapers. And most of us don't have time to keep up with it or to assess its value on a systematic basis.

The American Enterprise Institute, as part of its continuing effort to explore public policy issues, now intends to fill that gap.

In March of this year, we will begin publishing a bright, new bimonthly magazine entitled Public Opinion. Our intention is to draw upon the best writers and analysts across the country for timely interpretations of public opinion here in America and abroad... and to combine their views with a regular presentation of public opinion polls that we believe will be of interest to our readers.

We have lined up an exciting group of authors for the early issues, including

-- Seymour Martin Lipset of Stanford University and William Schneider of Harvard University, who will look at attitudes toward quotas and other affirmative action questions raised by the Bakke case.

-- Richard Scammon and Ben Wattenberg, two noted observers of life and politics in America, who will assess the troubled waters that President Carter may be heading for in 1980.

PUBLIC POLICY REPORTS

The Money Manager
THE FINANCIAL WEEKLY FOR EXECUTIVES IN BUSINESS AND FINANCE · PUBLISHED AND © 1976 BY THE BOND BUYER

ROBERT STEWART SMITH

the oral tradition kept alive by economists there exists a fable of an unknown—perhaps lost—kingdom in which there was no need for the government to institute an national safety and health program. The intriguing aspect of this is that, in this kingdom, selfish owned and operated all the businesses. These trolls were thoroughly self-seeking creatures who cared not at all about the safety, per se, of the ones who worked for them. The thing the trolls did care about was lining their pockets with as much gold and silver as possible. The gnomes were frightened by the ways of the trolls, and angered by the risks they faced on their jobs. So they petitioned the good king, who ruled the land wisely, crying, "Your highness! The trolls care not for our safety at work. They care only for themselves and the gold they have. Please help us protect our lives!" The king appointed a commission on Work Safety to hear these charges, and (remember, this is a fable) the commission delivered its report confirmed that selfish profit maximizers ever felt sad when workers were injured or killed on the job. The report further stated that trolls, though unfeeling, did provide some safety for their employees; however, they only reduced hazards if it was ...

Mr. Smith teaches labor economics at the N.Y. State School of Industrial and Labor Relations at Cornell University. In 1973-74 he was responsible for the safety and health area with the Office of Evaluation, Assistant Secretary for Policy, Evaluation and Research of the U.S. Dept. of Labor. This article is taken from "The Occupational Safety and Health Act: Its Goals and Achievements," an evaluative study published by the American Enterprise Institute for Public Policy Research, Washington, D.C. In it, he creates a fable demonstrating that the goal of a minimum-risk environment could probably be so costly that a society probably would be better off allowing some risks to exist. Also that safety decisions should ... balancing ...

budget, we were warned that going significantly beyond that deficit would be dangerous, would raise interest rates, crowd out private investment, retard recovery, and possibly re-ignite inflation. Indeed, at least one member of the President's cabinet appeared to question whether even the $52 billion deficit was not going too far.

What happened? In fact, the Con...

Mr. Schultze, who was director of Bureau of the Budget from 1962 to 1968, is now a senior fellow with the Brookings Institution. He is considered a likely candidate for a high-level economic post in the Carter Administration. This is taken from "the Federal Budget: What Are The Nation's Priorities," one of the national debate series published by the American Enterprise Institute for Public Policy Research, Washington. In the debate, held last Spring, Mr. Schultze was pitted against James T. Lynn, director of the Office of Management and

come in with a very restrictive budget and the Congress will more or less ignore it and go its own merry way—passing a responsible budget, but one with a somewhat higher deficit. And the recovery will probably continue through 1977, without reigniting inflation.

To be a little more specific: A hands-off budget—no new policy initiatives, continuation of existing

Budget. Mr. Lynn cautioned that the country could not stand annual increases of 10% to 11% in spending, and argued that the Ford Administration's 5.5% increase to $395 billion for Fiscal 1977 would reduce the deficit, stimulate business and consumer confidence, and thus promote the private sector. Mr. Schultze held that if Congress budget as submitted, and the economy grew at its average pace for previous postwar recoveries, the unemployment rate would still be roughly 7% by the end of next year.

Compared to that hands-off budget, the President's budget would, ... reduce spending by $20 billion. ... it would cut taxes $5 billion. ... effect, then, would be restricti... It would pull about $15 billion of ad...

As I have said, this set of actions would have no impact in 1976. The economy will keep on moving along. The real question is, could economic recovery continue at reasonable rates

The Washington Post

For The Record

From "Castroism and Communism in Latin America, 1959-1976," by William E. Ratliff (American Enterprise Institute-Hoover Institution):

Although significant differences remained among Latin American Marxist-Leninists in early 1976, a degree of theoretical convergence had occurred and interparty strife was at its lowest point in a decade. While most pro-Soviet parties ... promote the non-... major setbacks in ... they were ... than ever before in ... defenses of revolution when attacked by ... ionary interests. ... the pro-Chinese or ... increasingly in ... ving behind them the ... from Mao rather than ... rical examples of their ...

THE SUN
BALTIMORE, WEDNESDAY, JANUARY 12, 1977

National economic planning, at heart, is coercion

By MURRAY L. WEIDENBAUM

In this political year increasing attention is being given to proposals that would give the federal government power to establish one or another form of centralized planning in the United States. The Humphrey—Javits and Humphrey—Hawkins bills are cases in point. One of the stock arguments used by proponents of these bills is that if private industry does long-range planning why can't the government do the same?

The short answer is that the national government doing the planning for the American people would not be the same thing as individual private organ... doing their own plan... damental ...

chase, to subsidize, to "assist" and to regulate are awesome.

Much of the rhetoric favoring a centralized economic planning system is put in terms of merely developing better information. But even a cursory examination of the literature on American business planning demonstrates that planning is intended to be far more than improved information accumulation. A standard definition is: "A plan is a predetermined course of action ... complish a specific ... tives."

Government planning, in contrast, focuses on "guiding" or "influencing"—and thus ultimately controlling—the activities of the entire nation. If things go wrong in public-sector planning, it will be the taxpayer and consumer who bear the burden.

There are two types of government planning that need to be ... External plann...

... private planning ... involve control, but that those subject to its control powers are very different. Once a private corporation adopts its long-range plan, it may push hard on the various units of the corporation to meet their goals and objectives. But the controls are internal—incentives and sanctions focusing on the offi...

... Initiative Committee for National Economic Planning states that the planning office "would try to induce the relevant industries to act accordingly."

... how difficult it ... without worsening inflation.

... it is hard to pick out the most striking example of vagueness in the Humphrey-Hawkins bill, because there are so many sections to choose from. My favorite is the uncertainty about how much the bill will cost; no price tag is given for this extensive piece of legislation. Someone else may prefer the section that confers on the

Murray Weidenbaum is director of the Center for the Study of American Business at Washington University, St. Louis, and is an adjunct scholar of the American Enterprise Institute.

WALL STREET JOURNAL.

Reforming the Welfare State

By IRVING KRISTOL

It is unarguable that the welfare state is in trouble. The results of the recent Swedish and German elections, the disillusioning experiences of Britain and New York City, the rising tide of resentment in the United States against high taxes and intrusive government—all serve to make this fact quite clear. What is not so clear is: (a) why the welfare state is in trouble, and (b) what should be done about it.

There are some, committed social-democrats for the most part (in the United States called "liberals"), who sincerely believe that the welfare state is in trouble only because its critics have ... cally persuaded the ... neous opinion ...

But one ought to be wary of accepting this explanation too readily. It is really an argument against democratic self-government. If people are indeed so inherently unreasonable, then a democratic politics must inevitably end up wrecking a democratic society and a free economy. Quite a few thinkers are gradually moving, explicitly or implicitly, toward such a conclusion—and this disturbs me.

It disturbs me, not only because it is a counsel of despair, but because I take it to be a false counsel of despair. I happen to believe that, despite tempora... ties, the American ...

"... Between 1960 and 1971, the total level of expenditure on social welfare programs, broadly defined, increased from $50 billion in 1960 to $171 billion in 1971—about a $120 billion increase.

"It so happens that, according to the Bureau of the Census, there are about 25 million poor people in the United States ..."

... (indubitable) benefits ... reason these costs have skyrocketed is because the welfare state, over the past 25 years, lost its original self-definition and became something more ambitious, more inflated, and incredibly more expensive. It became the paternalistic state, addressing itself to every variety of "problem" and committed to "solving" them all—committed, that is, to making human life unproblematic.

The original conception of the welfare state had as its central idea the principle of "insurance." The state was to make it compulsory for citizens to insure themselves—and to help the less fortunate to insure themselves—against the three plagues of a dynamic, urbanized society: dependency in old age, serious illness, and unemployment. As a consequence of such social

... variety of problem and committed to "solving" them all.

... frustration. It also ... inflation, as governments employ the printing press as a way out of this dilemma. But inflation very soon raises the specter of bankruptcy and economic chaos—which people don't want above all. So there is a vicious circle; we are all trapped in it; and all we can do is wriggle more or less gracefully and buy time.

There is certainly some truth to this argument. It fits what we generally know about human nature, and it does describe a reality in which specific interest groups will defend each and every government program while the sum of all interest groups—the people as a whole—demand that government cut back its expenditures.

no more chance today of returning to a society of "free enterprise" and enfeebled government than there was, in the 16th Century, of returning to a Rome-centered Christendom. The world and the people in it have changed. One is permitted to regret this fact—nostalgia is always permissible. But the politics of nostalgia is always self-destructive.

Mr. Kristol is a resident scholar at the American Enterprise Institute, co-editor of the quarterly The Public Interest and a member of the Journal's Board of Contributors.

Los Angeles Times
LARGEST CIRCULATION IN THE WEST, 1,020,479 DAILY, 1,289,183 SUNDAY

... As a 'Slightly Mitigated Disaster'

BY RALPH K. WINTER JR.

To say that the Federal Election Campaign Act of 1976 has proven to be an unmitigated disaster is an overstatement; it is a slightly mitigated disaster.

The law's requirement of full disclosure of large contributions and its prohibition on the use of cash in political campaigns are appropriate and overdue measures, since they increase the amount of relevant information available to voters. In addition, these provisions deter individuals seeking to exercise improper influence.

Against this success, however, must be weighed a number of serious failures. The FECA's scheme of public financing of campaigns (with limitations on expenditures) and the new limitations on individual political contributions can now be clearly seen as a threat to our political process. In the election just past they contributed to voter apathy, worked to protect incumbent officeholders, discriminated against third parties, increased the influence of certain organized economic interests, and restricted the dissemination of ordinary political information. Compared to the federal campaign law, Prohibition was an extraordinary success.

The FECA was confidently proclaimed by its proponents to be a measure which, by restricting the influence of wealthy individuals and organized economic interests, would restore confidence in the American political system ...

Rather than broadening the base of campaign donors, full public funding in the presidential general election actually eliminated the small contributor and caused less grass roots involvement than ever before.

The FECA was also supposed to "open up" the system to candidates who previously would not have had the funding to make a serious run at public office.

The results here are mixed. On the one hand, it can be fairly said that Ronald Reagan's campaign for president in the primaries was helped by the limit on contributions because he had so many followers willing to give monetary support.

Generally, however, the FECA favored incumbents. They not only are more newsworthy than challengers but they have perquisites of office such as staff, offices, phone and mailing privileges provided by the government. Members of Congress in election

Ralph Winter is a professor of law at Yale University and an adjunct scholar of the American Enterprise Institute for Public Policy Research. He represented Sen. James Buckley and former Sen. Eugene McCarthy in their suit challenging the constitutionality of the Federal Election Campaign ...

years send out more in free mailing than all challengers spend on all campaign items. By limiting what challengers can raise in the way of offsetting funds (and, in the case of pres...

minates against third party candidates because it subjects them to all of the act's limitations but gives them none of its public funding. This does not mean, however, that it solidifies the two-party system. Rather, by helping incumbents, it has created a one-and-a-half party system.

It also was claimed by FECA proponents that the law would reduce the influence of special economic interests. Our recent experience showed the result here was exactly the opposite.

Most evidence seems to indicate that organized economic interests contributed more than ever in congressional elections. In just 18 days in October, for example, dairy groups gave 85% of the total amount they contributed in all of the 1974 congressional elections. Individuals are now strictly limited in the amounts they may give, but organized economic interests are able to utilize the law's complexities to give as much money as before. Thus their relative influence has been increased.

The same is true of the presidential primaries and general election. The television program 60 Minutes documented the fact that before his nomination Jimmy Carter received at least $150,000 from sources ... this a little over a month after he gave written assurances of his views on matters of union interest.

In the general election, it was estimated that organized labor sent out over 75 million pieces of mail supporting the Carter-Mondale ...

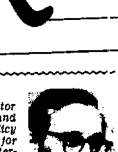
interests has been an ult... least claim total victor... sticker. A major accompl... was to restrict the diss... information by citizens c... American political syst... "cleansed" of most of the... tons, hats, T-shirts and ... phernalia. On a more ser... has been deprived of ... Nonpartisan organizatio... could not broadcast debat... policy during the campaig... running for election ... diverse organizations as ... the U.S. Chamber of Comm... by representatives of th... Commission that they ... rankings of congressmen ... records without establish... regated fund" based on ... tions (subject to electio...

The extent to which th... can themselves be reform... The political beneficiaries ... power in Washington and ... surrender the advantages ... them. One cannot look to ... help for their high-minded ... "funding" of congressional ... matching grants, for exam... double the value of organ... butions and do nothing a... amounts certain groups, su... bor, spend on mailing, pho...

THE NATIONAL OBSERVER

How U.S. Defense Budgets Ought To Be Set

By Robert J. Pranger



Pranger is director of foreign and defense policy studies for American Enterprise Institute, a Washington, D.C., think tank. Views expressed are not necessarily those of the Institute.

"ADEQUACY" is the key word in discussing America's national defense policy in the face of a Russian threat that some think is 10 feet tall and still growing.

Adequacy should not be confused with the key code words of current defense fund raising, superiority and inferiority. Unlike superiority and inferiority, adequacy in defense refers to requirements carefully considered in advance of decisions about what military preparations, if any at all, would be sufficient to meet stated requirements. Requirements come from strategic decisions about American interests and possible changes in these interests—cultural, economic, military, and political.

Defense in the broad sense includes all those circumstances and methods by which the United States projects and protects its interests. Some of these circumstances and methods will be military, some not.

Adequacy in military terms, as in all other aspects of defending national interests, relates to defense in the service of specific requirements. Presumably, some national interests are so important that the nation is willing to go to war for them, but some interests do not merit military protection.

One learns from Department of Defense testimony that there are some priorities in U.S. military planning: Strategic nuclear forces seem to receive great attention; and the North Atlantic Treaty Organization (NATO), both in conventional and nuclear terms, appears as a paramount American commitment.

On the other hand, the enormous proportion of the defense budget devoted to personnel costs does not indicate which areas of personnel are more important than others. An inescapable impression is created by the Pentagon that its budget's size is as much determined by what domestic political traffic will bear and by what the military services "can live with" as it is by over-all strategic requirements.

Lack of specifics about what is and ... posture has ... little to do with an adequate defense.

First, there is the argument over dollar levels of U.S. spending and what waste might be trimmed from the budget as well as what new items should be included. Dollar levels and new items ...

Second, there is the potentially sterile discussion of how American military forces compare with their Soviet counterparts both in terms of spending on defense and quality of forces. Such comparisons may be meaningless or meaningful *but only in terms of explicit requirements for U.S. defense.*

Also important for any consideration of the military balance between the U.S. and U.S.S.R., however, is the question of whether both superpowers are not building muscle at the expense of functional strength, and which of them is building more excessively. Will ultimate military superiority depend on which of the superpowers has the least padding in its military budget and the most useable force at its disposal?

Constraints on the use of military power in world politics today should not be overestimated or underestimated. On the one hand, militarily superior powers, when they focus their force on narrowly defined objectives, can be extremely effective. On the other hand, the analysis of Professor Klaus Knorr of Princeton has revealed increasing restrictions on military power in the nuclear age: nuclear holocaust if atomic weapons are used; improved methods of resistance employed by weaker powers; escalating costs of conquests for so-called victorious powers; and growing pressure of world opinion against the legitimacy of war.

In all the talk about what some see as an emerging public consensus in the United States for a strong defense, little attention has been given to what additional costs the public might be willing to pay for added military muscle. Some ... signs in opinion surveys indicate ... at a conservative public may well ex...

tures. The ... eral hawkis... higher tax ... expending ... Regarding ... ple, polls h... American ... curity assist... tion, but no... military inv...

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REPORTS

Competition of ideas is fundamental to a free society. A free society, if it is to remain free, cannot permit itself to be dominated by one strain of thought.

Public policy derives from the ideas, speculation and theories of thoughtful men and women. Policy makers themselves rarely originate the concepts underlying the laws by which people are governed. They choose among practical options to formulate legislation, governmental directives, regulations and programs.

If there is no testing of ideas by competition, public policy decisions may undermine rather than bolster the foundations of a free society.

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The AEI Public Policy Project on National Defense

The American Enterprise Institute established the Public Policy Project on National Defense in June 1976 to examine the many controversial issues involved in the defense of the United States. The project commissions research into concepts of strategy, manpower and force structure, the economics and administration of defense, and other major aspects of defense policy. It also sponsors television debates and round table discussions, as well as informal seminars and conferences, on current defense issues. The *AEI Defense Review* is one result of this project.

The project is chaired by Melvin R. Laird, a former congressman, secretary of defense, and domestic counsellor to the President, and now a senior counsellor for *Reader's Digest*. An advisory council composed of distinguished proponents of many different viewpoints participates in project programs, which are designed to encourage the competition of ideas on defense policy. General Bruce Palmer, Jr., former vice chief of staff of the U.S. Army and former executive director of the Defense Manpower Commission, serves as consultant to the project chairman. Dr. Robert J. Pranger is AEI's director of Foreign and Defense Policy Studies.

Foreword

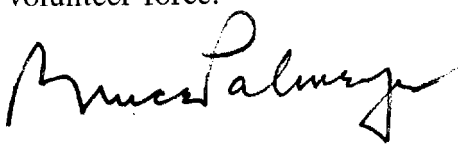
The first *AEI Defense Review* is devoted to the timely and complex issue of the unionization of our armed forces. This issue was cited by the Defense Manpower Commission, in its April 1976 report to the President and the Congress, as one of fundamental concern to those responsible for our national security.

The movement to unionize the U.S. military has developed rapidly since the Vietnam conflict and the advent of all volunteer armed forces. The question of whether this movement should be restricted has, therefore, become a cogent one. Several unions have begun planning major efforts to bring members of the military into their organizations.

We might legitimately ask why the movement has grown so rapidly. One reason seems fairly clear. Members of the armed forces perceive a steady erosion in the benefits that were promised them in return for their service. This perception of neglect or breach of faith has resulted in a distrust of government by some of our uniformed personnel. Hence, they are turning to unions to represent them.

The issue of military unions has important political, economic, and sociological implications, deserving the most serious consideration. Strong arguments on both sides of this potentially divisive question are articulated in the following pages by David Cortright, of the Center for National Security Studies, and Senator Strom Thurmond, author of a bill to restrict union activity in the armed forces.

The next *AEI Defense Review* will appear in the spring of 1977. Forthcoming *Reviews* will be devoted to an analysis of the DOD budget for fiscal 1978, the basis for a new treaty on the Panama Canal Zone, standardization of arms in NATO, the position of northeast Asia in U.S. defense commitments, and the future of the all volunteer force.



BRUCE PALMER, JR.
General, U.S. Army (retired)
February 1977

Unions and Democracy

David Cortright

Until recently, the debate over military unionism had an air of unreality to it. Many people considered the very concept ridiculous, while those who manage the armed forces regarded it as outrageous and foolhardy. Even those attracted by the idea dismissed it as utopian. In September 1976, however, the American Federation of Government Employees (AFGE) shocked its members and most observers by voting to authorize military membership within the union. An actual organizing drive may begin within a few months.

Far from being anyone's fancy, unionism in the American military has become a pressing issue. A growing number of observers now consider it inevitable. The question of military unions is likely to dominate defense policy debate in the coming months and will remain a hotly contested issue for years to come.

For all of its importance, however, little scholarly attention has been devoted to the issue. Much of the discussion so far has been marked by hyperbole and exaggeration. Cries about strikes in the foxholes have blurred the real issues and distorted reality. The dominant voices in the debate have been the professional military associations and conservative organizations. As a result, the discussion has concentrated on supposed dangers to military effectiveness while ignoring the larger dimensions of the question. In reality the issue is much more complex and ambiguous than portrayed. Military effectiveness per se may be only a minor factor. Much more significant in the long run are the larger political issues of civilian control and democratic accountability. Unionism and affiliation with the civilian labor movement may have an important impact on the role of military institutions in American society, helping to prevent any potential isolation of the professional military. On the other hand, unionism could become a force for strengthening military influence, a possible outcome that has received too little attention. These and other aspects of the debate deserve more careful consideration than they have received to date.

To assess the impact of unionization fully, the roots of the issue in contemporary military and political reality should be explored in depth. Defense policy trends and current conditions within the ranks have played a major role in the advent of unionization. Which factors are responsible for the drift toward unionism, and how will they be affected by it? The motivations and interests of the established unions that are involved, particularly AFGE, also need examination. How will AFGE's goals and current policies shape the military union? Assessing the

David Cortright, an associate with the Center for National Security Studies, is the author of *Soldiers in Revolt* (New York: Anchor Press/Doubleday, 1975). He is currently writing a book on military unions.

likely result of military unionism in the United States also requires a look at the comparable military unions of Europe. What are the patterns of organization abroad? What have been the effects of the experience with military unionization?

A word of caution is necessary at the outset. Arguing about military unions is a bit like trying to focus on a moving target. While the basic issues may remain the same, the political and social environment surrounding them are constantly changing. Particularly with regard to AFGE, the possibility of abrupt policy shifts must be kept in mind. A bitter clash with the defense establishment over this issue cannot be ruled out, a factor which would significantly alter any possible outcomes which can be envisioned now. Despite the perils involved, an exploration of the military union issue can help us to understand the implications of this unprecedented challenge to defense policy.

Volunteers as Employees

Ironically, much of the impetus for the current interest in military unionism is a direct result of the policies of the defense establishment itself. The logic of the recent shift toward an all-volunteer force leads to a new contractual basis for military employment, with an accompanying decline in the notion of service as duty. Growing numbers of first-term and career service people have become critical of the cutbacks in benefits and the failures of the military institution to live up to its part of the military "contract." As we shall note in our examination of the European scene, the tendency toward replacing conscripts with volunteers has had similar effects abroad. The shift to an all-volunteer force carries within it the seeds of military unionism.

A major reason for this openness to unionism is the nature of the recruitment system. Scholars and military managers have known for years that the primary inducement for military enlistment is the desire for vocational training and economic advancement. The Opinion Research Corporation's annual survey of *Attitudes and Motivations toward Enlistment in the U.S. Army* consistently finds job training and skill development as the key advantages of military service for potential recruits.[1] In a totally volunteer environment, these concerns become generalized, and the service member increasingly tends to view himself as a worker or an "employee." Military advertisements reinforce this conception, painting a rosy and often misleading picture of military service. Recruiter advertising creates the mistaken impression that military life and working conditions are or can be similar to those of the civilian world. The slogan "The Army wants to join you" embodies this approach. Such appeals portray military service as just another job and foster expectations of professionalism which actual conditions do not warrant. For the first-term serviceman in particular, these illusory recruitment lures clash with the reality of military service, creating dissatisfaction and a receptivity to unionization. Policy makers are aware of these dangers and have cautioned against exaggerated marketing techniques. In its 1973 *Report on Disciplinary Problems in the U.S. Navy*, the House Armed Services Committee admitted that "recruiting advertising appears to promise more than the Navy is able to deliver" and warned that this "unrealistic picture" can lead to discontent.[2] The marines may not be promising a rose garden, but the services generally project an image which has little foundation in the day-to-day conditions of military life.

Another strong inducement for unionization is the relatively high level of unrest within the lower ranks. Despite volunteer recruitment, disciplinary conflicts within the military remain widespread. Over 330,000 Article 15 (nonjudicial punishment) proceedings took place last year. In addition nearly 14 percent of all discharges were less than fully honorable—the highest rate on record. Unauthorized absences and courts martial were also high in fiscal 1976 (though reduced from earlier years), with the

[1] Opinion Research Corporation, *Attitudes and Motivations toward Enlistment in the U.S. Army* (Princeton, N.J., 1975), p. 17.

[2] U.S. Congress, House of Representatives, Committee on Armed Services, *Report of the Special Subcommittee on Disciplinary Problems in the U.S. Navy*, 92nd Congress, 2nd session, 1972, p. 17671.

navy's desertion rate still climbing to record levels. These figures suggest a substantial reservoir of discontent among enlistees. Such disputes, along with occupational grievances, constitute fertile ground for unionization within the lower ranks. A military hierarchy which treats its troops no better than was demonstrated in the shabby spectacle of recent Marine Corps beatings invites unionism.

The growing interest in unionization is also to some degree rooted in the "GI Movement," which emerged during the Vietnam era. Widespread organizing occurred throughout the military in the 1968–1972 period, much of it motivated by opposition to the Indochina intervention.[3] Few soldiers' committees exist today in comparison with five years ago, but the remaining groups (about a dozen in all) have focused increasingly on trade union issues. Typical disputes center on bonus payments, hair length, alleged racial discrimination, and military discipline. A small but significant number of short-term volunteers still view themselves as citizen-soldiers and seek a greater measure of justice and dignity within the service. Many of them have begun to look toward unionization as a means of gaining their ends.

The quest for unionization, however, does not come solely or even predominantly from the lower ranks. Officials within AFGE report significant support for their plans to unionize from the ranks of senior noncommissioned officers and officers as well. For the professional serviceman, as for the first-term soldier, the present volunteer force has generated a growing inventory of unresolved grievances. The complaints of professionals, however, differ from those of enlistees. The major difficulties for higher-ranking people are a retrenchment in economic benefits and a limiting of career opportunities. The pages of *Army Times* contain frequent complaints over such issues as forced separations, pay limitation, reductions in medical benefits, and challenges to retirement pay. Part of the difficulty for careerists lies in the current peacetime nature of the military, and the inevitable reduction in career opportunities that occurs in interwar periods. A larger factor, however, is the current economic crisis and the resulting attempts by the government to limit rising federal expenditure.

Pentagon managers have recently embarked on a major initiative to reduce manpower costs. Assistant Secretary of Defense for Manpower and Reserve Affairs William Brehm spelled out this policy in his official statement to the Senate Armed Services Committee at the beginning of hearings on the 1977 defense budget. Brehm's testimony, a red flag to AFGE and other federal unions, stated that manpower costs and benefits must be reduced if the United States is to sustain an adequate defense capability. Brehm and his mentors apparently see a contradiction between rising personnel expenditures, on the one hand, and additional procurement outlays, on the other. Faced with a perceived need for new weapons systems, yet bound by general spending constraints, Pentagon managers have opted for a policy of shifting expenditure from the manpower side of the budget to the hardware side. According to Secretary Brehm: "We must slow the growth of defense manpower costs in order to assure an adequate level of resources for development, procurement . . . and the operation of our forces."[4]

Several programs have been devised to implement these goals. The most lucrative policy initiative has been a simple limiting of pay increases. For the current fiscal year the Department of Defense has proposed a cost-of-living increase of less than 5 percent—although the Congressional Budget Office has estimated that a 12 percent increase would be necessary to compensate for past and present inflation.[5] This restriction on current pay increases is estimated to save the Department of Defense $2.5 billion. Another important aspect of the policy to restrain manpower costs is a restructuring of military retirement, a move vigorously opposed by

[3] See David Cortright, *Soldiers in Revolt* (New York: Anchor Press/Doubleday, 1975).

[4] U.S. Congress, Senate, Subcommittee on Defense of the Appropriations Committee, *Hearings*, 94th Congress, 2nd session, 1976, vol. 2, p. 15.

[5] U.S. Congress, Congressional Budget Office, *Federal Pay: Its Budgetary Implications, Background Paper Number 4*, March 10, 1976.

an increasingly vociferous retirement community. Other elements of the new economy package include: the elimination of commissary subsidies (defeated by the Senate in 1976, but certain to be raised again in future defense budgets); cutbacks in CHAMPUS (Civilian Health and Medical Program of the Uniformed Services), a medical program for dependents; implementation of the so-called fair-market rental system (which will allocate a greater portion of military pay raises to the "basic allowance for quarters," or BAQ); and a limitation on the amount of terminal leave payments. These cutbacks, combined with forced retirements and reductions-in-force (RIFs), have sparked a sharp reaction among professionals. However justified some of these initiatives may be from an economic perspective, military employees have responded with a characteristic demand for an organization to protect their financial status—a trade union. Unionization thrives in such soil.

Federal Unionism Matures

The impetus toward military organizing can also be traced to developments in the trade union movement, particularly among public employee unions. As a whole, the American labor movement has generally stagnated over the last few decades. Membership percentages have remained about constant, and few major advances have been registered. The important exception to this trend has been the phenomenal growth of public sector unionism. The American Federation of State, County, and Municipal Employees (AFSCME), the Service Employees International Union, and the teachers' unions, as well as AFGE, all have shown startling growth over the last decade. Accompanying this development has been a spread of unionization among police forces and firemen. Union membership has expanded among all government workers, particularly among those at the state and local level. Public employee unions have leaped to the forefront of the labor movement.

For AFGE in particular, major growth occurred during the 1960s. In the decade from 1960 to 1970 AFGE membership more than tripled, jumping from approximately 80,000 to nearly 300,000. The major reason for this expansion, apart from a swelling of the federal bureaucracy during the Johnson presidency, was Executive Order 10988, signed by President John Kennedy in January 1962. The Kennedy executive order officially authorized federal employee unionism and laid down basic ground rules for labor management within the government. EO 10988 was essentially an enabling act, paving the way for an immediate expansion of unionism within the federal government. AFGE, until then a somnolent fraternal association of government professionals, quickly surged forward as a potent force within the federal government. As federal agencies promulgated further labor management regulations (the most important of which authorized withholding of dues), union membership soared.

A significant parallel to the expansion of membership among public employee unions has been a trend toward more assertive unionism. Traditionally, public employees have held a second-class status, denied many of the powers of regular industrial unions, most importantly the right to strike. As unionism has expanded among government workers, however, the barriers to full-fledged unionism have given way. Government unionists have increasingly demanded the same privileges and powers enjoyed by their industrial coworkers. Within AFGE this trend has been expressed by minor but significant gestures toward greater militance. In 1970 the union voted to change the name of its chapters from lodges to locals, and more significantly voted to lift the clause barring strikes from its constitution. Demonstrations and picket lines have now become acceptable, as have union drives on behalf of political candidates. At the 1976 convention in Las Vegas, AFGE delegates voted to authorize a strike call by the leadership, approved the building of a strike fund, and cheered a proposal to initiate a "work to rule" action (a job slowdown in which bureaucratic regulations would be strictly applied to reduce worker output). In the context of this drift towards increased militancy, the convention's

decision to authorize military membership fits naturally. The controversial step of organizing the military grew from a trend toward more assertive unionism within AFGE. It is also an attempt to recapture the momentum of AFGE's expansion and propel it to greater heights.

The specific reason for AFGE's interest in the military is the federal government's "comparability" pay system. The link between civilian and federal pay scales and the extension of this system to the military creates an economic foundation for AFGE's interest in the military. This has become increasingly important in the last two years, as the government has slashed pay gains. With union leaders bristling at federal wage policy, AFGE decided to seek new allies in its struggle. In 1974, at the behest of the then president, Clyde Webber, the union urged active-duty service people to support its wage demands. Hundreds of thousands of leaflets were distributed at military bases reminding GI's that AFGE's efforts on behalf of federal workers also raised military salaries. Viewing the 1974 initiative as successful, the AFGE leadership began to consider the prospect of actual military membership. As the erosion of its members' pay continued, the lure of military organizing increased, and with it the prospect of bolstering union strength. The move to permit military membership thus represents a reaction to government economic policies and an attempt to reach for greater bargaining power.

The European Experience

Opponents of military unionism mistakenly point to European unions for evidence of deleterious effects from military organizing. Senator Thurmond has commented in the *Congressional Record*, for example, that "unionization in the armed forces of the Netherlands, Sweden, and Austria has been, to put it mildly, an unhappy experience when viewed in the context of an effective defense force."[6] In the same statement, the senator agreed with the author of a widely publicized March 1976 *Newsweek* article that "unionization is eroding effectiveness of the defense of Western Europe." Newspaper and television reports have ridiculed the "hippie" army of the Netherlands, implying that Dutch soldiers are nothing more than glorified boy scouts. The actual experience of Europe, however, shows no damage to military strength. The more sophisticated opponents of military unionism recognize this fact and caution against focusing on the European experience. William J. Taylor, of the National War College in Washington, noted in a recent paper to the Interuniversity Seminar on Armed Forces and Society that:

> One cannot argue that unionized American military personnel would strike when the European analogies show that the unionized military do not strike. One cannot argue that where European military personnel have unionized, standards of appearance related to discipline have degenerated; . . . to prove conclusively (and causally) that mission capability has degenerated . . . would be an impossible and counter-productive undertaking.[7]

The evidence from Europe indicates rather compellingly that unionization has had little negative consequence.

Military unions in Europe are widespread and highly developed. Collectively the six countries of Sweden, Norway, Denmark, Belgium, West Germany, and the Netherlands have more than sixty soldier associations.[8] Holland has twelve, Norway seventeen, and Denmark over twenty-five. The rate of organization is extraordinarily high, nearly 100 percent among the officers in Scandinavia. The oldest and most established of these unions are former associations of career officers, but the most dynamic role within the military union movement today belongs to the organizations of noncommissioned officers (NCOs) and sergeants. This is

[6] *Congressional Record*, March 4, 1976, p. S 2807.

[7] William J. Taylor, Jr., "Military Unions in the United States: Justice Versus Constitutionality," a paper presented before the British Interuniversity Seminar on Armed Forces and Society Annual Conference, April 12–14, 1976, Holly Royde College, Manchester, England.

[8] This and the following information are based on David Cortright, "Report to AFGE: Military Unions of Europe," American Federation of Government Employees, Washington, D.C., August 1976.

especially true in Belgium and Denmark, where unions of enlisted volunteers and lower officers have grown dramatically in recent years. The prominence of these groups—the Central Military Syndicate in Belgium and the Central Organization for Contract Personnel in Denmark—reflects the increasing proportion of volunteers in these forces, part of a general policy to replace conscripts with regular professionals. The formal powers of the European unions are in some cases considerable. Swedish unions, for example, enjoy full collective bargaining and the right to strike. The Dutch and German unions, on the other hand, have only limited consultation rights. In nearly every country these powers are expanding. In the last year Sweden, West Germany, and Belgium have passed important new legislation enlarging the powers of military and public service unions. Most of these unions, particularly the most powerful, are affiliated with large public employee federations—a pattern similar to that emerging within the United States.

The military unions of Europe show two basic patterns: the development of separate associations for each class of military employee and a division between professional unionism and conscript unionism. Separate organizations often exist for higher officers, lower officers, and career NCOs. In some countries, such as the Netherlands and Denmark, these categories are further subdivided according to branch of service and political or religious affiliation. The professional model is the dominant mode of organization in Europe, with career organizations far outnumbering draftee groups. The two major draftee groups which exist in the Netherlands and Sweden are very large and powerful, but they are exceptions to the prevailing pattern.

The demands of the European unions reflect an almost exclusive focus on economic and professional interests. Higher compensation is the sine qua non of all these unions. A related question is the drive for regulated work time and compensation for overtime. In several countries unions have already obtained a forty-hour workweek, though the actual enforcement of these provisions has been halting and tentative. The unions have also raised demands about service conditions and professional standards. Some unions, mostly in Sweden and Denmark, are also seeking occupational health and safety guidelines. In addition, the military organizations have sought improved dining and housing facilities and better recreation and welfare services.

One of the most important models of unionization, a pattern with certain parallels to AFGE's approach, is that within Sweden. As in so many areas of social policy, this Scandinavian democracy has pioneered in efforts to protect the interests of servicemen. The formal powers of the Swedish military unions are extraordinary, in some instances exceeding those of civilian public sector unions in the United States. Three separate professional organizations exist, and these are in turn affiliated with two larger civilian employee federations. The Swedish Officers' Union (SOF) has approximately 5,400 members, virtually 100 percent of all top-level officers. The Company Officers Union (KOF) has about 5,000 members, representing over 95 percent of lower-grade officers. The Platoon Officers' Union (POF) has some 9,300 members, encompassing most of the lowest-level cadre, the equivalent of senior noncommissioned officers in the U.S. military. KOF and POF are affiliated with the Central Organization of Salaried Employees (TCO-S), the largest white-collar union in Sweden. Members of SOF belong to the smaller public union federation, SR/SACO. The main result of this arrangement is that the large and powerful public employee unions of Sweden bargain and negotiate directly on behalf of the military organizations, who find their influence and access thus multiplied. TCO-S and SR/SACO bargain for the military organizations in a wide range of employee controversies, including pay, job safety, promotions, pensions, and job classification, and normally conclude a formal labor contract every two years. In general, the Swedish military union system is the most advanced in Europe.

One of the most controversial aspects of the debate over military unionism is the question of the right to strike. Opponents of military

organizing frequently conjure up images of battlefield strikes, evoking notions of mutiny. Sweden is the only country where this right actually exists, though in fact it is quite limited and is encumbered by bureaucratic restrictions. In 1971, this strike authority was actually exercised—although rather innocuously and unsuccessfully as it turned out. When negotiations to renew the 1970 contract broke down, the associations engaged in a small selective walkout. The government responded forcefully, ordering a lockout of some 3,000 regimental officers. Parliament passed a special extension of the old agreement, and a contract was subsequently signed. Today the unions have voluntarily agreed to bar strikes among higher officers and to submit any proposed action to a government labor board which can rule on any potential national security impact.

Professional military organizing in Sweden has had no negative impact on the armed forces. Far from disrupting the military, the officers of the Swedish military unions have become near partners in personnel management. These stolid, respectable organizations have played an important, constructive role in improving service pay and conditions. If military unions in the United States mirror their Swedish counterparts, the Pentagon will have nothing to fear.

Another important model of military unionism, relevant for military reasons and because of similar organizational patterns, is that of the Federal Republic of Germany. Military organizing is widespread in Germany, with little effect on the Bundeswehr's stature as the strongest military force on the continent. German military organizing is intimately linked to the special circumstances surrounding the founding of the Federal Republic. Because of an understandably severe reaction against militarism, the Bundeswehr was structured to ensure strict civilian control and to assert the principle of the "citizen in uniform."[9] A number of key programs were established to protect the soldier's right to question (the most famous of these being the elected representative, or Vertrauensmann). Most importantly for our analysis, service people were also granted the right to join employee associations or unions. In July 1956, shortly after the founding of the Bundeswehr, fifty-five soldiers met to establish the Bundeswehr Verband, the German Servicemen's Association. The Verband quickly established itself within the ranks, and rapidly acquired an enormous membership. Although it is the largest military association in the world, with over 190,000 members, the Verband is in many ways the least typical of all the unions. It is in fact more a professional association than an authentic union. The Verband has no collective bargaining authority, and possesses only limited consultative rights. It has no organizational ties to the labor movement and shares few of the union perspectives of other military organizations. Its membership is composed mainly of careerists and professionals, including a number of leading generals within the Bundeswehr. The Verband is very much a "company union," with close and cordial relations with the Ministry of Defense.

A smaller number of German servicemen are also represented by the Federation of Government, Service, Transport and Communications Workers (ÖTV)—the second largest trade union in Germany. Of ÖTV's 1 million members, some 5,000 are in the military, mostly sergeants. Unlike the Bundeswehr Verband, ÖTV has encountered considerable opposition from the military hierarchy and has had to fight to secure its right to represent service people. The principal importance of ÖTV is its role in formal collective bargaining with the government. Although the union does not negotiate directly on behalf of its military members (who are expected to have a special sense of loyalty to the state and thus to renounce normal labor powers), the union's negotiations for other government workers are normally extended to service people. The union's bargaining on behalf of its members thus directly benefits people in the military—a situation analogous to that of AFGE. This system of informal comparability and the location of military members within a larger government employee federation make

[9] See Eric Waldman, *The Goose Step Is Verboten: The German Army Today* (New York: Free Press, 1964).

the ÖTV experience important for potential unionization in the American military.

The country which has attracted most attention in the military union debate is the Netherlands. The bulk of this publicity, most of it hostile, has centered on the draftees' union, the VVDM. While the conscripts' union is the largest in the Netherlands, it is only one of twelve officially recognized military employee organizations. Most of the Dutch unions are professional groups, the oldest dating back to 1898. Most of the organizations were founded before World War I as fraternal associations and have only recently evolved toward quasi unionism. The Dutch unions have limited powers. The twelve unions meet twice a month with the Ministry of Defense in the Central Commission for Consultation, an officially sanctioned forum for addressing questions of pay, working conditions, promotions, and similar matters. Although these consultations are required by law, they are purely advisory in nature: decisions made within the commission have no legal force and are not binding on the government. In effect, the unions merely act as advisors to the Defense Ministry, suggesting means to improve internal conditions. Despite these formal limitations, the unions are able to back up their demands through various informal lobbying and mobilization tactics. This weight has been applied most forcefully in recent years by the conscripts' union, VVDM, the strongest and most vocal of all Dutch associations.

With approximately 25,000 members (some 60 percent of all conscripts) and a long history of activism, VVDM has had a profound impact on the Dutch military. Founded in 1966, VVDM was aided throughout its early years by progressive Dutch officers schooled in theories of modern management.[10] The government has actually nurtured the union, granting it such privileges as automatic dues withholding, free office space, and payment for the time spent on the union's activities by its seven elected officers. With such support the union grew rapidly, by 1969 boasting approximately 10,000 members. Since 1970, VVDM has adopted a more activist and militant posture. Spurred on by pressures from the rank and file, VVDM has resorted to frequent demonstrations and petition campaigns. One of the union's first and most famous activist campaigns centered on the issue of hair length. Through a series of mass protests in 1971, the conscripts forced the ministry to allow hair length to be left to individual choice. Similar clashes arose over mandatory saluting and command censorship of the soldiers' reading material, in both cases resulting in union victories. The largest and most ambitious VVDM campaign has focused on the issue of compensation for overtime. Through nearly five years of petitions and demonstrations—the largest a February 1974 rally of 8,000 conscripts—Dutch soldiers have finally won the limited right to extra payment for overtime duty.

VVDM's action program has been enormously successful in achieving gains for servicemen. In its brief ten-year history, the union has compiled an impressive record of accomplishment:

- Pay has increased sharply and is now the highest in Europe.
- Soldiers enjoy full democratic liberties.
- Inspections and unnecessary formations have been eliminated.
- Hair length and saluting, as indicated above, have become optional.
- The military penal code has been reformed, eliminating the most severe forms of punishment.

Thanks to VVDM and its companion associations, the Dutch armed forces have become one of the most highly paid and democratic forces in the world.

This analysis of VVDM offers a convenient point for commenting on the political and military impact of these European unions. As we have noted, critics of military unionism in the United States frequently assert that military organizing undermines military efficiency and threatens national security. It should be obvious from our discussion of the professional unions

[10] This and the following information are drawn from Walter Kok, Institute for Political Science, University of Amsterdam, "The VVDM, 1966–1973: Action and Reaction," a paper delivered for ECPR Workshop on Political Behavior, Dissatisfaction, and Protest, Louvain, April 8–14, 1976.

of West Germany and Sweden, however, that no such negative effect exists. Indeed the professional organizations are almost indistinguishable from the military hierarchy in policy outlook (and sometimes in the actual people involved) and are vigorous supporters of a strong and effective defense.

For the draftee organizations, on the other hand, the potential impact is more problematic. The VVDM and its Swedish counterpart, Varnpliktiga Arbetsgruppen (VAG), or Draftee's Working Group, obviously are not professionalist and have no vested interest in the long-term success of the institution. Moreover, their activist approach seems to imply a more critical perspective, which could hinder operational readiness. The question is worth asking, therefore, whether the Dutch conscripts' union has altered military efficiency.

Any attempt to analyze the military efficiency of a unionized army is necessarily ambiguous and tentative. Indeed it is impossible to examine the question of military reliability without first looking at the nature of the particular mission and its support within the population. The most important question for military effectiveness is not whether servicemen are organized but whether they support the larger mission. As long as a political consensus exists for a given assignment, even the most democratic and highly organized of soldiers can be expected to comply willingly. If the mission is unsupported, or if widespread opposition exists, however, military efficiency will no doubt suffer. Thus in the Netherlands, where popular support for the aims of NATO remains substantial, Dutch soldiers have performed capably, even enthusiastically, in NATO exercises. In recent years, the Dutch army has scored highest among allied forces during NATO maneuvers in West Germany. The assistant minister of defense for personnel in the Netherlands reports that U.S. General Alexander Haig considered Dutch troops the best in NATO during recent operations.[11] Similarly, in the late-1975 train hijacking at Beilen, the Dutch army again performed smoothly and efficiently in a mission seen as necessary to protect public safety.* As long as the mission is considered necessary, Dutch soldiers will respond effectively. Indeed members of the conscripts' union and some of their officers claim that they will perform better than other troops because they are treated with more dignity and have greater self-motivation. As a national official of VVDM stated when he was interviewed in 1974, "When someone feels good and is in a reasonable situation, he will do his job better than when he is subjected to heavy discipline."[12]

In general, all of the European military unions assert that organizing has had no negative impact on national security. On the contrary, most organizations feel that unionism improves internal conditions and creates a more democratic and enlightened form of service. People who are treated with respect and are able to participate in decisions affecting their lives will be more highly motivated than those who are oppressed. In today's highly technical society, with its heightened skepticism toward monolithic authority, traditional forms of rigid military discipline are no longer productive. It follows from this, therefore, that democracy within the ranks is an essential prerequisite for military effectiveness.

According to German military unionists, a soldier will be more willing and capable of defending democracy if he has an opportunity to practice democracy in his life. In the words of Master Sergeant Heinrich Linden, who serves as the military coordinator for ÖTV, "In a democratic country, any army which rejects the concept of democratic thought is a threat to democracy."[13]

*__Editor's Note.__ Terrorists seeking Dutch support of South Moluccan independence from Indonesia seized a train in Beilen, a small town near Amsterdam, on December 2, 1975. Two persons were killed in the takeover, and one later in an explosion, and fifty persons were held hostage. Dutch marines were dispatched to the scene, and the South Moluccan hijackers surrendered on December 14. One Dutch conscript who refused to participate in the action was later granted conscientious objector status.

[11] Interview with Willem Drees, The Hague, Netherlands, May 7, 1976.

[12] Interview with Paul Regouin, Utrecht, Netherlands, November 19, 1974.

[13] Interview, Koblenz, Federal Republic of Germany, May 23, 1976.

The Potential Consequences of Unionism

AFGE's September 1976 decision to permit military membership was greeted by renewed outcries from the Pentagon and from conservative political forces. The Defense Department issued a statement reaffirming its opposition to unionization: "Commanders are not authorized to recognize or bargain with servicemen's unions or unions representing or seeking to represent servicemen."[14] Nearly identical editorials appeared in newspapers throughout the country in late October, claiming that unionization would "jeopardize national security through erosion of military discipline."[15] Journalists predicted that the union would soon begin forming locals, implying that military efficiency would quickly plummet. Because of this opposition and the still strong reservations within the union itself, AFGE has proceeded with extreme caution so far. At their National Executive Committee meeting in December 1976, union chiefs voted to delay an immediate organizing drive, despite the appearance of several potential locals, and opted instead for further study and preparation. While the union seems to be firmly committed to entering the military in the near future, it is attempting to do so with the least possible controversy or confrontation. Indeed the whole AFGE approach suggests a very conservative, narrowly defined form of unionism—seemingly designed more to please management than to attract potential military members. AFGE's military union plans are very much in keeping with its traditionally moderate image.

AFGE is an unlikely agent of radical change. In more than forty years of organizing government and military employees, AFGE has shown little or no sign of militance. It has participated in government national security programs and has been a more than representative example of AFL-CIO closeness to the military. While it is true that the mood of the rank and file has become more impatient in the last few years, there is no indication that the union's military organizing effort will stray from the conservative and "constructive" path exhibited so far by the civilian union.

A June memorandum from AFGE's legal and research departments, for example, suggests that the military union should voluntarily agree to restrain its activities, and should limit its influence to purely noncombat affairs. The memo also suggests that the union should voluntarily agree to renounce strikes and terminate its representation activities in time of war. According to the memorandum, the union could play a positive role and assist management by identifying sources of friction before they become larger problems and by improving the attractiveness of the all-volunteer force. A later December memorandum from the research department continues this approach, arguing that union efforts should focus on purely economic matters and should avoid any disruption of the command structure. In short, the AFGE staff has proposed limiting the union's military representation services even before any controversies have developed, almost going out of their way to avoid any suggestion that their efforts might harm military discipline. If, as critics claim, unionism threatens military efficiency, the plans of AFGE give no hint of such an effect.

No one doubts that the intentions of AFGE are tame. The larger question, though, is not what purposes AFGE leaders have in mind, but what results will follow inevitably from the unionization process. The task of our analysis must be to determine what unintended effects flow from unionizing the military. From an examination of the European experience, we might conclude that unionism will have little effect one way or the other. As indicated earlier, the organized armies of Europe exhibit no observable decline in readiness. Such a response is inadequate, though, for none of these forces has been tested in battle. If we are to understand this question fully, we must go beyond present experience and delve more deeply into the potential implications of the unionization process.

Most discussion of the issue so far has viewed unionism as a threat to the military. This monolithic view has had the effect of diverting attention from the reverse possibility,

[14] *Navy Times*, October 18, 1976.
[15] *Thomasville North Carolina Times*, October 20, 1976.

namely, that unionism might actually strengthen the military. A fairly sound case can be made that professional unionism in the American armed forces would actually bolster the military institution. Such a fear is shared rather widely among liberal and left observers. Many of the pacifists whom Senator Thurmond might suspect of backing unionization are fearful that unionism could reinforce military influence in society and hinder democratic control of the military.

In some respects, the argument is valid. A unionized military, for example, might raise considerable resistance against efforts to reduce the size of the military. Indeed, much of the current interest in unionization stems indirectly from precisely this motivation. To the extent that these self-preservation instincts run counter to public consensus, they would be politically undesirable. Such union pressures to inflate manpower levels artificially would be "featherbedding" of a most dangerous sort. Bloated staffs in the railroads are one thing, but an unjustifiably large military establishment creates economic and political dangers for the larger society. The principles of civilian control and democratic accountability would suffer.

Another potential objection to unionization is that it might foster the kind of aggressive professional unionism evident among police forces. The apparent disregard for the public interest exhibited by groups like the Patrolmen's Benevolent Association in New York has created concern among citizens throughout the country. Professional unions have often battled community attempts to control the police and have frequently opposed politically mandated reforms. While police unions have fought vigorously for their members, they have occasionally done so at the expense of the larger community—a process which, if repeated in the military, could have disastrous consequences.

These potential consequences, and indeed all possible results of a military union, depend on the particular type of organization that evolves. A union based among higher-ranking careerists will have one outlook, and a union rooted in rank-and-file concerns will have another. The negative impacts mentioned above are more likely to occur in a career-oriented professional union than in a rank-and-file organization. Careerists tend to mirror the interest of the institution and to support its long-term goals. According to a recent *Armed Forces and Society* article by the sociologists Jerald Bachman and John Blair, the career portion of the military manifests a strongly promilitary ideology.[16] In a sampling of some 1,800 civilians and 2,500 sailors, the authors sought to gauge the comparative political attitudes of military professionals. In response to questions on such issues as "adequacy of military influence" and "support for military intervention," careerists tended to favor an enlarged military presence. Their views diverged significantly from the more balanced preferences of civilians and short-term sailors. Thus, to the extent that a military union reflects careerist views, it will be out of phase with the interests of the larger society and will exhibit promilitary tendencies.

On the other hand, a true rank-and-file union would have a more democratic, representative character. The degree to which unionization activates the lower ranks has an important influence on its political effect. First-termers still see themselves as only temporary members of the military, despite volunteer recruitment, and retain strong identification with civilian values. The mindset of submission to authority has not taken root. Their basic needs are less connected to the welfare of the institution. Grievances and questions of individual justice would be more important than defending the military profession. A union responsive to the first-term citizen-soldiers who compose the bulk of the military would have little concern for inflating military requirements. It would be too busy defending member rights.

While a union based on the rank and file may be preferable for political and social reasons, it would create serious problems for the military hierarchy. The armed services are very vulnerable to pressures for change. A vigorous trade union might break the inertia and com-

[16] Jerald Bachman and John Blair, " 'Citizen Force' or 'Career Force'?" *Armed Forces and Society*, vol. 2, no. 1 (November 1975).

placency that have blocked previous attempts at reform. An authentic soldiers' union would be forced to grapple with disciplinary disputes, for example, and might become embroiled in military justice issues. Legal complaints and occupational grievances could not be as easily ignored. The "threat" to which commanders seem to be reacting in a military union is not that it will lead to mutiny but that it might transform service disciplinary and work procedures, thus challenging established privilege. The possibility of externally imposed change instinctively frightens commanders.

Military professionals recognize that the armed services must meet the needs of the rank and file if they are to parry the union challenge. They admit that grievance procedures require modification, and they too complain that eroding benefits and unresolved problems only strengthen the desire for unionism. Officials know that the chain of command is often rusty and ineffective, and that formal grievance procedures only submerge problems in paperwork. Few of the necessary reforms are likely to be made, however, for such efforts would violate fiscal constraints and might challenge command authority—the most sacred of all military powers. Attempts to halt the slide in military compensation would be contrary to government economic policies and would run counter to the decision to reduce manpower costs. Similarly, efforts to alter working conditions or to protect democratic rights will be opposed as an intrusion into command prerogatives. The entrenched interests of the military establishment have too much to lose from an overhaul of service procedures and will probably continue to fight the reforms needed to deter unionization. Only an outside organization with the institutional clout of a trade union has the capability of forcing the changes necessary to ensure justice and dignity within the ranks.

The entry of unions into the military, of course, will not be without serious impact on command authority. Indeed, all disciplinary or grievance disputes in which a union becomes involved imply a tension between the ranks that can subtract from combat capability. Here is the nub of the controversy over military efficiency. Any increase in internal conflict between officers and men might lower effectiveness and reduce military capacity.

The essential point, though, is that such disputes occur with or without a union. They are rooted in day-to-day conditions and in the policies and missions of the military itself. Unions do not create employee grievances: they simply try to deal with them and erase their causes. In fact, to the extent that unionization resolved these problems, internal conflicts would diminish, and potential readiness would improve. The tensions that threaten military reliability cannot be traced to unionization. They depend on the military mission and on command ability to meet rank-and-file needs. Internal effectiveness hinges on the decisions of commanders, not labor leaders.

The military efficiency argument runs both ways. Just as it is possible to have an ineffective and crippled armed force, so problems can arise from an army which is too ruthlessly efficient and loyal. Images of the precise, unquestioning Nazi hordes may be attractive from a purely military point of view, but for purposes of social justice and democracy they are anathema. The Germans learned all too well the devastating consequences of excessive devotion to military efficiency. In its postwar rearmament plans, the Federal Republic of Germany instituted an elaborate program to ensure institutional democracy and public accountability. An important part of this process was the enshrinement of the individual right to associate and speak out on matters of conscience. Here the role of a union as a defender of individual rights is vital. The citizen-soldier whose conscience requires him to object to certain missions would receive valuable backing in a union legal-defense program. In this sense, one of the highest compliments to the possibilities of unionization is the sentiment expressed by retired Admiral Gene LaRocque of the Center for Defense Information in a recent interview: "If we'd had a union earlier, maybe we might have avoided the tragedy of Vietnam."[17]

[17] Interview, Washington, D.C., December 6, 1976.

The development of greater democracy within the ranks and the protection of basic citizen liberties need not undermine national security or weaken military effectiveness. As stated earlier, the crucial factor in military efficiency is not the existence of an employees' organization but the popularity or unpopularity of the particular mission. If the cause is just and the citizenry supports the need for military action, soldiers will fight effectively. If, on the other hand, service members are forced to participate in Vietnam-type interventions or acts of repression, motivation will be lacking. Unions will not change this. Unionization can be a positive force, both for the military and for the larger polity. Public sector unions in particular can help to make government institutions more accountable, preventing abuses of authority and cooperating to develop more efficient work procedures. The presence of independent grievance channels might prevent bureaucratic coverups and more quickly expose wrongdoing or inefficiency to the light of public scrutiny. The development of a democratic and representative union would seem especially vital in an all-volunteer, professional military. Unionization could help forge vital linkages between the armed forces and society and mitigate the tendency toward social isolation inherent within a professional force. Ties to the civilian labor movement and the protection of democratic impulses are necessary elements in the armed forces of a democracy.

Military Unions: No

Strom Thurmond

In late 1975, it became clear to me that a strong effort would soon be made to unionize our military forces. I did not reach this conclusion quickly or lightly. I reached it after loud warnings from the media and after careful observation of the planning going on within the American Federation of Government Employees union. The late Clyde Webber, the former president of the union, clearly signaled the intentions of the AFGE in his testimony before the Defense Manpower Commission on August 18, 1975.

The occasion had been preceded by ominous reports in the *Wall Street Journal* and the *Army Times* and in an interview that was printed in the *Times*'s magazine. But the transcript of his testimony before the Defense Manpower Commission convinced me beyond a doubt that this dangerous scheme was already under way and that something had to be done to stop it.

In his testimony, Mr. Webber said: "Since it appeared that AFGE and armed forces personnel would have a continuing mutual concern in pay adjustments in the future, I recommended to the AFGE National Executive Council—our policy board—that we consider offering membership within the AFGE to members of the uniformed military." Furthermore, at the same time AFGE was planning unionization of the military, two other unions were looking into the same possibility.

Prior to advocating legislative action, I communicated my concerns to the civilian leadership of the Defense Department and others in the government. In their responses, they flatly denied that legislation was needed and they suggested that AFGE was pursuing this matter only as a ploy for publicity. Underlying these responses, there seemed to be a feeling that I was unnecessarily alarmed, that AFGE was not serious, that other unions were not interested, that nothing should be done.

On March 4, 1976, together with twenty-four other senators who agreed that the unions should not enter the uniformed sector of our armed forces, I introduced a bill, S.3079, which would have prohibited unionization of our military forces.[1] It included criminal sanctions

Strom Thurmond, the fourth-term Republican senator from South Carolina, served with the U.S. Army in World War II and later became a major general in the Reserve and president of the Reserve Officers Association. In the U.S. Senate, he is a member of the Armed Services, Judiciary, and Veterans' Affairs committees.

[1] Joining me as cosponsors of S.3079 were Senators James B. Allen (Democrat, Alabama), Dewey F. Bartlett (Republican, Oklahoma), William E. Brock III (Republican, Tennessee), Lawton Chiles (Democrat, Florida), Carl T. Curtis (Republican, Nebraska), Pete V. Domenici (Republican, New Mexico), James O. Eastland (Democrat, Mississippi), Paul J. Fannin (Republican, Arizona), Jake Garn (Republican, Utah), Barry Goldwater (Republican, Arizona), Clifford P. Hansen (Republican, Wyoming), Jesse Helms (Republican, North Carolina), Roman L. Hruska (Republican, Nebraska), Paul Laxalt (Republican, Nevada), John L. McClellan (Democrat, Arkansas), James A. McClure (Republican, Idaho), Robert Morgan (Democrat, North Carolina), Frank E. Moss (Democrat, Utah), Sam Nunn

against those in uniform, as well as civilians, who attempt to organize our military. The bill also included a provision empowering courts to fine any organization found guilty of making such attempts, with the penalty set at not less than $25,000 or more than $50,000.

Unfortunately, although I made a number of attempts to schedule hearings, S.3079 was a victim of the election year. The bill died when the 94th Congress adjourned in 1976.

Two events which took place in the waning days of the 94th Congress should convince skeptics that unionization of the military is an issue which must by squarely faced in the 95th Congress. First, the Association of Civilian Technicians began to recruit military members from our reserve component forces. Then, in late September 1976, AFGE voted in convention to amend the union's constitution to permit recruiting of members of our military forces.

Early in the 95th Congress, on January 18, 1977, I introduced S. 274, a bill to prohibit unionization of our uniformed military forces. In addressing this subject, I repeated my previous assurance and that of the cosponsors: This is not legislation against unions; it is legislation for a sound defense force for our nation.[2]

Military Unions in Europe

Some people have argued that experience with military unions in several European countries should relieve any concern that might be felt over possible unionization here. The official line in those countries is that all is well with military unionization, but this is only to be expected. The leaders of these countries would hardly admit publicly that their policies had been a mistake.

Those who saw the presentation of the unionized Dutch army on "NBC Weekend" on August 28, 1975, will not be fooled. It was worth many thousands of words. To all appearances, the Dutch army today is responsible to the union as much as to the government. After a train hijacking in the Netherlands last year,* Lt. Col. Hendrik Bijl, the Dutch battalion commander of the soldiers on the scene, was reported to have said: "I am speaking personally, you understand, but the best kind of army we can have is where a soldier can say, 'No, I will not do that because I do not believe in it.' Ideally, soldiers should have the right to elect—and dismiss—their officers."[3] He had few problems on this operation because the soldiers believed in their task, but in other circumstances, he stated, they might all disobey: "In a strike by a union, I cannot say that the army is fully prepared to fulfill its mission—and I am glad to say that."

General Marcel Bigeard, a legend in his own time in the French army and now France's secretary of state for defense, had this to say on the unionization of the European military services: "There is afoot an enterprise of demoralization of armies on a French and European level which has been going on for five or six years . . . the matter is serious. . . ."[4] It certainly

* See Editor's Note at the bottom of page 10.

(Democrat, Georgia), William L. Scott (Republican, Virginia), Robert Taft, Jr. (Republican, Ohio), Herman E. Talmadge (Democrat, Georgia), John G. Tower (Republican, Texas), and Milton R. Young (Republican, North Dakota). Soon after the bill was introduced, Senators Hugh Scott (Republican, Pennsylvania), Quentin N. Burdick (Democrat, North Dakota), Henry L. Bellmon (Republican, Oklahoma), James L. Buckley (Conservative/Republican, New York), Robert Dole (Republican, Kansas), and J. Glenn Beall, Jr. (Republican, Maryland) joined as cosponsors.

[2] Joining me as cosponsors of S.274 were Senators James B. Allen (Democrat, Alabama), Howard H. Baker, Jr. (Republican, Tennessee), Dewey F. Bartlett (Republican, Oklahoma), Henry L. Bellmon (Republican, Oklahoma), Lloyd M. Bentsen (Democrat, Texas), Harry F. Byrd, Jr. (Independent, Virginia), Lawton Chiles (Democrat, Florida), Carl T. Curtis (Republican, Nebraska), John Danforth (Republican, Missouri), Robert Dole (Republican, Kansas), Pete V. Domenici (Republican, New Mexico), James O. Eastland (Democrat, Mississippi), Jake Garn (Republican, Utah), Barry Goldwater (Republican, Arizona), Clifford P. Hansen (Republican, Wyoming), Orrin G. Hatch (Republican, Utah), Jesse Helms (Republican, North Carolina), Ernest F. Hollings (Democrat, South Carolina), Paul Laxalt (Republican, Nevada), Richard G. Lugar (Republican, Indiana), John L. McClellan (Democrat, Arkansas), James A. McClure (Republican, Idaho), Robert Morgan (Democrat, North Carolina), Sam Nunn (Democrat, Georgia), Harrison H. Schmitt (Republican, New Mexico), William L. Scott (Republican, Virginia), Ted Stevens (Republican, Alaska), Richard Stone (Democrat, Florida), Herman E. Talmadge (Democrat, Georgia), John G. Tower (Republican, Texas), Malcolm Wallop (Republican, Wyoming), Milton R. Young (Republican, North Dakota), and Edward Zorinsky (Democrat, Nebraska).

[3] *Washington Post*, February 16, 1976, p. E6.

[4] *Newsweek*, March 8, 1976, p. 43.

is. In several documented instances, members of unionized armies in Europe elected to demonstrate loyalty to the union at the expense of a mission.

Some of the so-called military unions in Europe that have the best record are not truly unions. They fit more into the pattern of our associations. They have no bargaining power.

The argument has been made that, in countries with different cultures, the expectations of the people are different and norms of behavior are different. According to this line of reasoning, a military union in the United States would not necessarily behave in the same way as one in Germany. This approach, however, is entirely too speculative. If military unions have proved irresponsible in other countries, we can hardly permit them to be organized in the United States on the flimsy hypothesis that they may possibly be more responsible here.

I draw a simple conclusion from the way unions work in European countries. Unionization of certain defense forces in Europe has not improved their readiness to defend their countries, which, after all, is the reason for the existence of a military force. The evidence points the other way. The division of authority between the government and the unions has left some European forces less ready and responsive. The all-important question of how a unionized military will perform in battle is yet to be answered. It must not be answered at the risk of American lives and liberties.

Constitutionality

Some have suggested that to prohibit military personnel from unionizing would be an unconstitutional deprivation of the First Amendment right to freedom of association. An examination of this proposition is in order.

The starting point is the Constitution. Article I, section 8, clause 14, specifically grants Congress the power "to make rules for the government and regulation of the land and naval forces."

In addition, in a decision upholding Articles 133 and 134 of the Uniform Code of Military Justice, the U.S. Supreme Court said: "This Court has long since recognized that the military is, by necessity, a specialized society separate from civilian society."[5]

Thus, while members of the military are not deprived of the freedom of association granted by the First Amendment, the different character of the military community and of the military mission requires a different understanding of this right. The fundamental need for obedience and the consequent need for discipline make it impossible for servicemen to do some of the things that civilians are entitled to do.

The "separate society" doctrine enunciated by the Court plainly suggests that prohibiting unionization of the military would be a valid exercise of legislative authority. Moreover, this doctrine prevents the application of cases involving civilian government employee unions to the question of military unionization. The distinction between military and civilian society is critical.

Without retracing the path of older decisions, two recent cases decided by the U.S. Supreme Court confirm the power of Congress to prohibit unionization of the military. In the first case, *Middendorf* v. *Henry*, the Court declared that members of the armed services may not be entitled to military lawyers in circumstances where a civilian defendant would have a right to appointed counsel. In the second, *Greer* v. *Spock*, the Court held that an armed forces post commander has substantial power to limit political activity on a military post—more than civilian authorities have in the civilian community.

Dr. Benjamin Spock brought this freedom-of-speech case against the commander of Fort Dix, New Jersey, after being refused permission to hold campaign rallies on the military post in 1972, when he was the People's Party candidate for President. Lower courts had ruled in favor of Spock, who challenged the ban as a violation of the First Amendment. The Supreme Court, however, reversed the lower courts and affirmed the political speech ban. In writing the opinion,

[5] Parker v. Levy, 417 U.S. 733, 743, 1974.

Justice Potter Stewart said, "The military as such is insulated from both the reality and the appearance of acting as a handmaiden for partisan political causes or candidates. Such a policy is wholly consistent with the American constitutional tradition of a neutral military establishment under civilian control."

The underlying premise of these decisions is clear. The First Amendment rights of our uniformed military must give way to the extent that they conflict with the duties required of servicemen in accomplishing their mission. This small abridgement of rights is necessary to guarantee citizens the protection of a disciplined, responsive, and effective defense force.

Accordingly, Congress would be well within its constitutional authority in passing legislation that would prevent union activity within the uniformed part of our military. To split the authority over our servicemen between the President and Congress on the one hand and a union on the other would clearly undermine our national security.

The Need for Legislation

There are already some legal barriers to military unionization. Such a barrier is implied by article 2, section 2, of the Constitution: "The President shall be Commander-in-Chief of the Army and Navy of the United States, and of the militia of the several states, when called into the actual service of the United States." Moreover, Presidential Executive Order 11491 precludes unions from engaging in contract and grievance negotiations with the armed services concerning uniformed servicemen.

In addition, the secretary of defense (under the authority given by Title 10, USC 133b) has declared, "Commanders are not authorized to recognize or to bargain with a so-called servicemen's union" (in Department of Defense Directive 1325.6).

There are also statutory provisions which would provide some restrictions on union activities in the uniformed military. The following crimes are punishable under Title 18 of the United States Code: enticing desertion (18 USC 1381); entering government property for any purpose prohibited by law or regulation (18 USC 1382); and striking against the government (18 USC 1918), though there is some question whether this statute applies to the military. In addition, a private citizen is prohibited (by 18 USC 2387 and 2388) from counseling a serviceman to mutiny, disloyalty, insubordination, or refusal of duty.

Finally, the Uniform Code of Military Justice contains criminal sanctions which are relevant to the issue. Various articles prohibit the following: soliciting or advising another to desert, to mutiny, to misbehave before the enemy, or to commit sedition (Article 82); desertion (Article 85); absence without leave (Article 86); disrespect toward a commissioned officer (Article 89); insubordinate conduct toward a warrant officer, noncommissioned officer, or petty officer (Article 91); disobedience of an order or regulation (Article 92); mutiny or sedition (Article 94); aiding the enemy (Article 104); malingering (Article 115); and riots or breach of the peace (Article 116). Article 134, the general article, prohibits disorders and conduct to the prejudice of good order and military discipline. Unionization would open the door to violations of any or all of these articles.

These laws and regulations are numerous and broad in scope. Taken together, they strongly discourage unionization. However, they do not forbid it. Given the seriousness of the possible consequences, we need a law which does forbid it—openly, flatly, and unchallengeably.

Why Unions Will Not Work in the Military

The issue is not what is best for unions, individual servicemen, or, for that matter, any particular group or interest whatsoever. The military union issue must be considered in the context of what is best for our country.

The right of workers to form unions has been recognized in our nation for over a hundred years. The right to strike peacefully for higher wages and better working conditions is almost as old. Moreover, it is a lofty goal indeed that trade unions have pursued in becoming a

national institution—to ensure the working man his fair share of economic benefits. In achieving this goal, the trade unions give a clear psychological and moral boost to the working man and, more importantly, an effective voice in bargaining. They also benefit society at large by counterbalancing the strong influence of industry.

But the valuable services of unions in civilian society are no argument for unions in the military. Civilian and military society, as we have seen, are simply too different from each other. Now let us consider other arguments that are made on behalf of military unions.

On September 23, 1976, the American Federation of Government Employees voted to change its constitution to permit recruiting of soldiers, sailors, airmen, and marines. The reasons for this course of action are presented in the transcript of a meeting of AFGE officers held in July 1976.

National Vice President Allen H. Kaplan had been charged with the responsibility, together with others of the leadership, of looking into the question of whether or not to unionize the military. His recommendation was affirmative, and his first reason was that unionization would give AFGE more power with Congress. As National Secretary Nicholas J. Nolan said bluntly, "What is important to the government and to our own status within the labor movement is that we have this weapon in the holster, and I think you should bear that in mind." A statement by the new AFGE president, Kenneth Blaylock, supported this line of thinking. As reported by the *Indianapolis News*, on September 25, 1976, Mr. Blaylock noted that other unions might attempt to organize the military, and it was important for AFGE "to be in a position to get a piece of the pie." AFGE has approximately 260,000 members. Mr. Blaylock's "pie" consists of the 2 million members of the uniformed military. This reason obviously carries little weight for those outside the union.

A second reason given by National Vice President Kaplan at the July 1976 meeting was that the military is tied to the classified pay system. He said, "We are carrying the military on our backs so to speak. And as long as we have got this system, it makes sense for them to pay their way." But who is carrying whom? As a practical matter, the military and veterans' associations consist of 5 million members. Their representatives are well informed and press their programs very successfully with the Congress. The AFGE can hardly claim to be the actual or rightful spokesman for the military. From a historical perspective, the members of our armed services have paid their way many times over. Their dues have gone not to unions but to the American people, and must be measured not in dollars, but in toil, sweat, and blood.

Another reason given by National Vice President Kaplan for organizing the military was to help the workers, a notion based on the false premise that uniformed military members are workers. There *are* similarities—just as workers have pride in their skills and jobs, members of our armed services have pride in their units, customs, and services. Again, however, we come back to the "separate society" doctrine, which has been sanctioned by the Supreme Court. Employment as a civilian, notwithstanding the rhetoric of union organizers, is not truly comparable to service as a uniformed member of our armed services. Distinctive features such as separations from family, the inability to quit, and, above all, the possibility of facing the enemy in battle make military service unique as a profession.

Just before the executive council voted, National Vice President Kaplan again spoke up, this time to state that by unionizing the military "we are really furthering the ideals of democracy." He went on to say, "We now have a professional army. It is subject to very little control. . . . The rank and file in the military have their associations which are quite broad and quite extensive, but they are weak. . . . The Congress have very little check on what happens in the military."

These surprising remarks require a second look to become clear. Apparently, Mr. Kaplan believes that the President, the Congress, and the civilian secretaries and their assistants have no effective control over our military. His idea is that, if AFGE gains control or a big share of

control over our military, then civilians will be in charge, as they should be, and the country and the uniformed members of our military will be better served. He is wrong. Union control is not civilian control. Civilian control is nothing more or less than the system the Constitution calls for—command by the President and his deputies and appropriation and regulation by Congress. That system, regardless of what Mr. Kaplan says, is what we already have.

In my opinion, if the President and the Congress were to permit unionization of our military forces, both would be subject to attack in the courts for abrogating their constitutional responsibilities. Such an attack would not be difficult to support. If the President and the Congress should at any time fail to exercise their control over the military, the judicial branch of our government could step in to prevent any other person or organization from attempting to assume this power. The courts could act similarly to prevent any person or organization from sharing control. The President and the Congress are not at liberty to surrender or impair their constitutionally prescribed powers to any extent. This is particularly true of control of the military, for the language of the Constitution is exceptionally clear and precise.

So much for the reasons advanced by union leaders for military unionization. Where they are not false, these reasons are essentially self-serving. One reason that has not been mentioned, at least not openly, is the desire to see servicemen gain the right to strike. There are times, however, when true intentions may be learned less from words than from what has actually been done.

In September 1976, at the same time Mr. Kaplan was advocating military unions and AFGE was voting to open its rolls to the military, members of AFGE voted to remove the no-strike clause from its constitution. As reported in the *Washington Post* on September 25, 1976, "the fact that strikes or slowdowns against government are illegal did not seem to faze delegates here. There were constant reminders that nothing happened a few years back when 220,000 postal workers walked off the job."

The words of former AFGE President Clyde Webber are again helpful in determining what may be down the road. Before the debate became heated, he warned that the union could not guarantee control of a unionized military with respect to strikes: "The thing about it is that you cannot control individual elements of an organization, whether it happens to be the U.S. Army, as has been demonstrated a couple of times in the last three or four years . . . or the AFGE. People take into their own hands what they think they have to."[6]

The prospect of a military strike is almost too horrible to imagine. Even if it did not exist, though—even if we could count on military union members to do without the traditional weapon of the labor movement—serious questions would be raised. For example, suppose AFGE civilian members voted to strike. AFGE civilian members and locals are located at installations throughout our defense establishment. If the military were unionized, would AFGE ask military members not to cross picket lines?

AFGE leaders and the rank-and-file members are all civilians. The primary interest of the union has been in federal civilian jobs. How would the unionization of the military affect the continuing differences between the manpower of the federal civilian establishment and the armed forces? Unions in the civilian sector have always had a considerable influence over the allotment and assignment of jobs. How much influence would AFGE demand over the people, positions, and organizations in the military forces?

In view of all AFGE has won for civilian employees over the years, what benefits could we expect the union to demand for the military that have not already been won by the professional military associations? How much of an increase in the defense budget would result from military unionization?

If only combat support forces were organized, who would supply and administer combat forces in the event of a wildcat "sickout" by the union members in these support forces?

[6] David Cortright, "Organizing the Military: The Union Wants to Join You," *Nation*, February 21, 1976, p. 208.

It has been suggested that the union would cease to represent the uniformed military in time of war. How would a military force accustomed to and trained with union representation function without it? Could the union withdraw that easily?

These questions, unanswered and perhaps unanswerable, point to only one conclusion. Add to them the possible catastrophe of a military strike and that conclusion becomes unassailable. The military must be protected from unionization.

Attitudes of the Media, the Public, and Others

A question of great importance is how military unionization is perceived by the media, by our nation's civilian and military leaders, and by the public as a whole. The views they express give legislators valuable insights into the issue. What do the people of our country want?

The Media. Excerpts from the most cogent articles I have seen on this subject are included at the end of this paper in Appendix A. For present purposes, it is enough to cite some of the far-flung and highly respected papers that published them. In my home state of South Carolina, we find opposition from the *News and Courier* of Charleston, the *State* of Columbia, the *Spartanburg Herald*, the *Aiken Standard*, and the *Sumter Daily Item*. Nationally, the notion of military unionization has received strong disapproval from the *Hartford Times* of Hartford, Connecticut, the *Bridgeport Telegram* of Bridgeport, Connecticut, the *Indianapolis News*, the *Washington Star*, and the *Dallas Morning News*.

Typical of the editorial outcry are these words of John Chamberlain in his column of April 23, 1976, in the *Richmond Times Dispatch:* "This sounds so idiotic that it is hard to write about. But the movement to unionize the armed forces of the U.S. has been gathering momentum. . . . The business of introducing a shop steward between buck privates and the non-commissioned officers may be closer than we realize."

Radio and television commentator Paul Harvey of ABC News used equally strong language on February 26, 1976, asking: "Can you imagine how our nation's potential adversaries must be responding to this national hara-kiri in the U.S.? . . . And now we contemplate subjecting our military leaders to the supervision of shop stewards with the inevitable potential for mass mutiny. One looks on and wonders." Commentator Ned Hinshaw of WTMJ television, WTMJ radio, and WKTI radio in Milwaukee, Wisconsin, made an important point on April 28 and 29, 1976: "Citizen control of the military has kept the army, navy, marines and air force out of politics in this country. It is imaginable that a unionized armed force who doesn't like the nation's leaders might try to take things into their own hands. It's a frightening thought."

Remember, these media reactions are representative, not exhaustive. Furthermore, I am not aware of a single newspaper, radio station, or television station that has supported military unionization. The public opinion polls that have come to my attention show the same consistent opposition to the idea. One conducted by Decision Making Information of Santa Ana, California, for the Public Service Research Council obtained results from a total of 1,529 in-home interviews across the nation between March 20 and March 30, 1976, which were summarized by the sponsors as follows:

> The survey reveals where Americans stand on unionization of the armed forces, with 82 percent opposed. The percentages are the same on permitting the armed forces to go on a strike. . . . The highest percentage of those opposed to military unions were among public sector non-union employees who were 87 percent against military unionization and 90 percent against strikes. This contrasted sharply with unionized public sector respondents who were only 71 percent opposed to military unionization and 72 percent opposed to strikes. Both union and non-union private employees likewise were overwhelmingly

> opposed to both unionization and strikes for the military.

A more detailed statistical breakdown is given in Appendix B.

Don G. Windle of Oxnard, California, conducted a more limited survey, mostly among servicemen. Of the 144 respondents, 131 of whom were members of the U.S. Navy, a majority of 89 percent proclaimed itself against military unionization. Alarmingly, though, 51 percent thought it possible that an attempt at unionization would be made.

A third poll was taken by Joseph D. Gleason, national vice president, second district, American Federation of Government Employees. Although Mr. Gleason's findings were based on only sixty-two ballots, his poll adds weight to the other two, since it was conducted by a member of the union that has been most outspoken about unionizing the military. Mr. Gleason found that 89.8 percent of those questioned were opposed to such an effort by his union and that 86.8 percent said that, if undertaken, it would not be successful.

The mail I have received on this issue provides yet another expression of public opinion on unionization of the military. In addition to many letters from associations and organizations, all opposing military unionization, some 262 letters on this subject have arrived at my office since I introduced S.3079 in the United States Senate. Approximately a third of these letters came from my South Carolina constituents, and the rest from all other sections of the country. Only 19 were in favor of unionization of the armed services, and 243 opposed it.

Two trends appeared in the arguments of my correspondents. On the one hand, the general public is vehemently opposed to the unionization of our military forces. On the other hand, it is equally clear that some service members perceive an erosion of the benefits guaranteed to them, legally or morally, when they entered the service. Members of this group believe that leaders in Congress and the Defense Department have not protected their interests. I shall have more to say about this subject later.

Civilian Leaders. Many civilian leaders have spoken out against unionization of the military. Secretary of Defense Donald Rumsfeld recently stated the position of the Department of Defense:

> The people of the military establishment are in fact the military establishment. They're fundamental to its importance and their morale and their treatment is of great importance. The idea of unionizing members of the armed services is fundamentally incompatible with the command structure of the Military services. It reminds me of that wonderful line from, I believe, H. L. Mencken, that for every human problem there's a solution that's simple, neat and wrong. That [unionization] is one.[7]

Through his campaign chairman, Rogers C. B. Morton, President Ford took a position in opposition to military unionization. Among members of Congress, vocal opposition has come from most of the best military experts.[8] Congressman William Whitehurst, in a poll of his district in Virginia, found 93 percent opposed to unionization. The great number of military personnel in his district, which includes Norfolk, makes this figure particularly striking.

Congressmen Spence and Young have introduced bills in the House which, like my Senate bill, would ban military unionization.

Military Leaders. Nor can there be any doubt that our military leaders, active and retired, oppose any union role in the uniformed military with almost a single voice.

Admiral James L. Holloway III, U.S. Navy, chief of naval operations, could speak for all:

[7] U.S. Department of the Army, *Retired Army Bulletin*, Pamphlet 600-1, HQDA vol. 5 (October 1976), p. 1.

[8] Besides the senators who cosponsored my bill, lined up firmly against unionization are Senator Church (Democrat, Idaho) and Congressmen George Mahon (Democrat, Texas), J. P. Johnson (Republican, Colorado), John W. Wydler (Republican, New York), Bob Wilson (Republican, California), Lionel Van Deerlin (Democrat, California), Clair Burgener (Republican, California), Olin Teague (Democrat, Texas), Samuel S. Stratton (Democrat, New York), Sonny Montgomery (Democrat, Mississippi), Bill Young (Republican, Florida), Floyd Spence (Republican, South Carolina), William L. Dickinson (Republican, Alabama), and William Whitehurst (Republican, Virginia).

"I believe unionism in the sense that there would be collective bargaining to determine whether or not certain operations would be undertaken is unthinkable in a military sense."[9]

General Bernard W. Rogers, U.S. Army, recently sworn in as chief of staff of the army, said: "We don't need any unions to represent our soldiers—that is a responsibility of the Army leadership."[10]

General Russell E. Dougherty, the commander-in-chief of the Strategic Air Command of the U.S. Air Force, stated the same view in a speech in October 1976 to the Air Force Sergeants Association: ". . . As long as there are perceptive, responsible men and women administering the affairs of our nation and intense, professional responsible officers and noncommissioned officers working together to keep intact this unique miracle that is the armed forces of the U.S., I see no need for changing the relationship of our country with its servicemen and women."[11]

Military and Veterans Associations. The military and veterans associations, with over 5 million members, include almost all of our present and past military leaders. Also included are the soldiers, sailors, airmen, and marines who brought this nation through troubled times in the past. Many of these organizations are on record on the subject of unionization of our armed services. They are well worth listening to.

Veterans of Foreign Wars: "Unions would interfere with the chain of command—would impair discipline and response to orders."[12]

Fleet Reserve Association: "If all enlisted men belonged to military associations, they would be more effective and get better representation. The associations provide a viable alternative to unions."[13]

The Retired Officers Association: "Unions are alien to our defense system. We and all concerned Americans must stand firm against them."[14]

The list can go on almost indefinitely.[15] Associations of a nonmilitary character have also taken a stand against military unions. No association that I know of, military or nonmilitary, favors them.

The Unions Themselves. Finally, we come to the unions themselves. Apart from the hopes and intentions of AFGE, there seems to be significant opposition to military unions even among labor leaders. George Meany, president of the AFL-CIO, has gone on record against military unions as recently as November 1976, according to Clark Mollenhoff.[16] Perhaps the most important figure in the labor movement in the United States, Mr. Meany is a patriot through and through and knows that the interests of the country are paramount.

The rank and file may well support Mr. Meany's position. In a letter I received recently, one local expressed itself as follows:

> We concur with the opinion that in the area of the armed forces, the trade union should not enter. As strong supporters of unions in the civilian sector of our country, we feel that the union has no role in the military. . . . The armed forces are our Defense Posture,

[9] *Naval Affairs*, March 1976, cover.

[10] *Army Times*, October 25, 1976, p. 8.

[11] Supporting these prominent leaders are many others. To name only a few: Major General Winant M. Sidle, U.S. Army, retired, the highly respected former chief of information of the army; Admiral John S. McCain, Jr., U.S. Navy, retired, commander-in-chief in the Pacific from 1968 to 1972; Major General C. G. Cleveland, U.S. Air Force; Major General John Forrest, U.S. Army; Rear Admiral C. N. Mitchell, U.S. Navy; and Brigadier General William Fleming, U.S. Marine Corps. The last four of these men voiced their opinions at hearings before the Manpower and Personnel Subcommittee of the Senate Armed Services Committee.

[12] *Federal Times*, June 3, 1976, p. 5.

[13] Ibid.

[14] Ibid.

[15] Besides those already named, we find among the opponents of military unions the following: the American Legion; the National Association of the Uniformed Services; the Air Force Sergeants Association; the Non-Commissioned Officers Association; the Navy League; the Air Force Association; the Association of the U.S. Army; the National Guard Association; Disabled American Veterans; Disabled Officers Association; Jewish War Veterans; Legion of Valor; Marine Corps League; Military Order of the Purple Heart of the U.S.A.; National Association of Concerned Veterans; Naval Enlisted Reserve Association, Inc.; Naval Reserve Association; Paralyzed Veterans of America, Inc.; Polish Legion of American Veterans, U.S.A.; Regular Veterans Association; Retreads; Veterans of WWI of the U.S.A.; Blinded Veterans Association; Catholic War Veterans; Congressional Medal of Honor Society, U.S.A.; and the Combined National Veterans Association of America, which includes American X-POWs, AMVETS, and Army and Navy Union, U.S.A., Inc.

[16] *Des Moines Register*, November 21, 1976, p. 1.

> which is one of the main arteries to the heart of our government and community; it assists and makes possible our democratic way of life.

Comments like these, taken in conjunction with other indications of public opinion, make one wonder just where the prounion sentiment is coming from. In other words, what is all the fuss about?

The Problem of Morale

In my opinion, this issue has emerged mainly because of the trend I mentioned earlier —servicemen regard their government as insensitive to their problems and unresponsive to their needs. Frustrated and disillusioned, they have become susceptible to the wiles of self-interested union advocates, such as the leaders of AFGE.

The Defense Manpower Commission has apparently observed the same regrettable development. After field visits last year, it made the following statement in its April 19, 1976, report: "Many members of the armed forces felt dismayed and disillusioned because of what they perceive to be neglect, disinterest, or a breach of faith on the part of their government; and there appears to be a significant communications gap between departmental policy-makers and troops in the units in the field."

Howard Flieger, in *U.S. News and World Report*, October 25, 1976, came to the identical conclusion in his second editorial opposing military unions:

> [My first] article produced a torrent of mail from readers. Most agreed with the central point, but many argued that the armed forces are being doublecrossed by Congress and the Department of Defense.
>
> That is, indeed, a serious charge. It is one thing to say that people who volunteer for a military service forego the "accepted rights" of civilian workers. But in so saying, it should be understood that management—in this case Congress and the Government—must keep faith with those they recruit. If that faith is broken, it is understandable that servicemen and women will feel cheated by the uniforms they wear. . . . A unionized armed force makes no sense as a front line of national security. But neither does a disillusioned armed force. It is a situation that needs urgent attention by Washington.

This is not news to those of us in Congress who take a serious interest in our armed services. On January 31, 1975, I wrote to the President to protest the erosion of military benefits, particularly a proposed reduction in commissary subsidies. My letter concluded:

> As you well know, our government has broken faith with our military community in many areas, especially our retired personnel, such as changing the long-established method of computing retired pay, slashes in the CHAMPUS program, and now medical and dental services and the commissaries are being chipped away.
>
> I strongly urge reconsideration of your proposal. In my view, the disadvantages far outweigh any possible limited and short-term advantages which might scarcely help our nation's economic ills.

My mail on S.3079 has supported the findings of the Defense Manpower Commission and Howard Flieger, as well as my own position.

This problem of morale must be faced immediately. Loyalty must go from the top down as well as from the bottom up. Our military service members have a right to expect loyalty from the commander-in-chief, Congress, civilian leaders within the military departments, and the uniformed leadership of the armed services. If they do not get it, no legislation or directive will instill loyalty in them. What should the authorities do to reassure our servicemen that their interests are being protected?

To begin with, penny-wise and pound-foolish actions, which have affected our servicemen so adversely, must be defeated. The dispute whether service personnel, active or retirees,

should be allowed to continue to buy goods at military commissaries provides a good example. Some leaders have tried to eliminate this benefit by using a technique I call bureaucratese. That is, although it is plain to see that something is being lost, they try to hide the loss in a fog of ambiguous or meaningless words.

Other leaders have said that salary increases have eliminated the need for some benefits, even though recruiting continues on the basis of those benefits, just as it has for years. Other techniques of equal guile have been employed at the expense of our servicemen. I have fought against such practices. Senator Barry Goldwater and others have also spoken out against them. Erosion or perceived erosion of benefits cannot continue if we are to have a well-motivated volunteer force.

The credibility of the leadership needs to be restored. Budget considerations must be given due weight, but keeping faith and telling the truth come first. When unpopular decisions must be made, we must be prepared to explain why. Honesty should replace guile. Our military people have always recognized, respected, and accepted the truth.

The military associations have a definite role to play in this endeavor. They have been heard with attention and respect. They must continue the activist role they have recently assumed, and they must continue to urge policies for the good of both our nation and our service members. They must keep their members informed and urge their increased participation in the electoral process. By so doing, they will help to dissipate whatever pressure may be felt for military unions. They will make our military union-proof.

Summary of the Issue

To sum up, an effective defense force is built and maintained upon a foundation of discipline, patriotism, command authority, and quick responsiveness. This foundation cannot exist with loyalty divided between the chain of command and a union. Divide and conquer is one of the oldest maxims of war. Unionization of the American armed services would cause the enemies of freedom to rejoice all over the world. That is why I shall again introduce legislation prohibiting unionization of our armed services.

There is simply no substitute in the armed forces for unqualified obedience to authority. The security and tranquillity of our nation in peace, and its defense in war, depend upon it. When our men are called upon to defend the country, a commander must have the unquestioned authority to order them into battle and the power to enforce his order. Any action that would weaken this power and authority would amount to a self-inflicted wound to our defense effort—one from which we might never recover.

Newspaper Comment on Military Unionization

From the News and Courier, Charleston, South Carolina, March 8, 1976:

Literature coming into this office indicates that —despite what individual Members of Congress may say at the moment—military unionism is closer than most Americans think. Work has been quietly going on behind the scenes for a long time to set the stage. . . .

Our story of March 5 which announced Senator Thurmond's plan to try to forestall unionization also quoted a majority of the State's House Delegation as believing that unions have no place on the military scene. We hope that feeling, tested as the unionization debate is just beginning, will continue to hold up as the argument gets hotter, which it surely will. . . .

To be for military unionism is to be for a reduction in discipline and hence efficiency. Anybody who doesn't believe that should consult the occasions in American history when military affairs were a matter of bargaining between troops and leaders. The inevitable outcomes of such a system are, first, disaster; next, an eager return to discipline. The American army learned the lesson in the Civil War. The Soviet army learned it in Finland. Other armies —and navies—which are trying collective bargaining on for size will learn it when they go to war.

From the State, Columbia, South Carolina, March 10, 1976:

The prospective of a unionized army is chilling and bizarre. . . . There is no way a democratized military force can function efficiently in its ultimate mission, which is too close in combat with an enemy. . . .

Most American unions, of course, are anything but pro-communist. In fact, they contain some of the staunchest anti-communists in the world today. We suspect with Senator Thurmond, that many U.S. labor leaders and their members are cool to the plans of certain unions to invade the military arena. Why shouldn't they be? Continuance of the precious rights of the American workingman might well depend one day on an effective defense force, a force whose discipline, command authority, and responsiveness might be impaired by union activities.

Still, we will be watching to see what approach organized labor as a whole will take on this bill. Many Senators and Congressmen are beholding to the union leaders and labor's attitude could be critical. We urge labor to put patriotism and its real self-interest ahead of its apparent self-interest on this occasion and support the Thurmond bill.

From the Hartford Times, Hartford, Connecticut, May 29, 1976:

The talk of unionizing the nation's military forces is disturbing and has frightening implications that this nation cannot afford to risk. . . . Unionization is by no means a dirty word. The vital gains which have been made on workers' behalf by labor unions are widely recognized and acclaimed. But there is absolutely no room for unions in the U.S. military services.

Some hard questions must be addressed to those unions seeking military unionization. The first must be the question of the role of the mili-

tary in a free society. The military does not represent just any job. The military is totally unique in our society. No other occupation compares in mission and purpose. . . .

The allegiance that a citizen in the military has to a country is again by necessity, more rigid than the non-military individual. This rigidity is necessitated by the fact that, as Senator Thurmond writes in the Congressional Record "an effective military force is built and maintained upon a foundation of discipline, command authority, patriotism and quick responsiveness." In order to effectively fulfill its duties as a defender of a free society, it must not be allowed to embrace the misguided notion that it is the same as "any other job." It is not.

Yet it is a voluntary force. Unfortunately, military recruiting occasionally borders on misrepresentation, but in spite of that, the contractual arrangement can be allowed to lapse after a relative short period of time if the individual is not satisfied with the situation.

Another question which must be directed to those unions involved relates to the purpose behind their action. Is the action being taken out of altruistic concern for the individuals involved, or, is it, as is more likely the case, that the motivating force is the irresistible presence of more than 2 million "potential" members for unions seeking to vastly increase the riches and power of their coffers?

Either way, the military and U.S. do not need unionization. There are, no doubt, flagrant abuses within the military which drastically need attention. The on-going Congressional investigation into the recruitment and training practices of the Marine Corps is an excellent example of how discrepancies must be handled.

This country is a free democracy. It is governed, at least ideally, by the people. The military assumes a vitally unique role in the preservation of this style of government. This uniqueness demands differences in organization and mission. And one of the differences is the fact that it is not a democratic organization, and must never lose sight of its role. This definition excludes all talk of unionization of the military services.

The military must remain efficient, strong, and under control. Unionization would not provide this stability.

The Congress should enact, without further delay, Senator Thurmond's legislation banning military unionization as a threat that would seriously undermine the ability of this nation's fighting forces.

From the Bridgeport Telegram, Bridgeport, Connecticut, June 2, 1976:

Strong opponents of unionization vehemently warn that diluting the single-purpose of a national defense force would inevitably undermine the military chain of command and invite complexities involving picketing and picket lines and temptation for insubordination and strikes. They argue that although a union initially might focus on pay and benefits, it would certainly widen the scope of its concern to include disciplinary procedures and working conditions. . . .

There is nothing in the 200 year history of the nation and its armed forces to suggest any excuse for the measures the unions are considering. Such unionization would be an intolerable and profound menace to the nation's welfare, and Congress has only one choice—ban it promptly.

From the Indianapolis News, Indianapolis, Indiana, September 25, 1976:

The unionization of the U.S. armed forces came a step closer to being a reality Thursday when the national convention of the American Federation of Government Employees voted to make military eligible for membership in the union of Federal Employees.

In addition to approving this change in the union constitution, the AFGE elected the agressive Kenneth Blaylock of Montgomery, Alabama, as its new President. Observers in the unions have predicted that he will bring a "Jerry Wurf" type of militancy to the AFGE.

Jerry Wurf is the President of the American Federation of State, County, and Municipal Employees. Strikes by AFSCME affiliates have

shut down police, fire, sanitation and transit services in numerous cities over the last few years.

That union militancy of this kind might become a part of the Federal labor relations is disturbing. The possibility that it might be extended to the military is down right alarming, and legislative prohibitions are clearly in order. The threat of an active organizing effort, it is clear, will also be used as a club to extract concessions from the government in other areas. In the words of one AFGE official, it is something "the establishment would have to deal with."

While union leaders may pledge that nothing destructive of military discipline and effectiveness will be done, there is little reason to take such pledges seriously. In defending the proposal, President-elect Blaylock pointed out that other unions, notably, the Teamsters, may attempt to unionize the military and it was important for AFGE "to be in a position to get a piece of the pie."

That remark illustrates much of what is wrong with unions in both the private and public sectors—a tendency to view workers and the public they serve as a piece of the pie to be divided up.

While the union literature claims that servicemen are mistreated and clamoring for some kind of union representation, there is little actual evidence of such sentiments. To the contrary, a poll of both civilian and military personnel in AFGE's largest district, the fifth, showed a preponderance of opinion to be against it.

The President of the fifth district noted that the only support for unionization came from the younger, lower-ranked military personnel who resent such characteristically military regulations . . . saluting and rules about beards and hair lengths.

He observed that unionization is backed only by those temporary, non-career personnel who have no commitment to the effective functioning of the military.

They are, of course, entitled to their preferences, but our elected officials have a very definite commitment and we call on them to pass promptly a bill sponsored by Senator Strom Thurmond (R-S.C.), forbidding unions in the armed services. We also call on the Presidential candidates—despite the endorsement of Carter by the AFGE—to declare the unqualified opposition to military unions.

From the Washington Star, Washington, D.C., October 2, 1976:

The idea of unionizing the armed services is so preposterous that it is difficult to believe that the AFGE was serious last week when it authorized such a move.

But the AFGE, which seems steadily to be getting more militant, is not one to play games. So we have to assume that it is earnest about trying to put the union label on members of the Army, Navy, Air Force, Marine Corps and Coast Guard.

The military cannot be compared to private industry, or even to Federal civilian employment. Rules that govern bargaining between management and labor in industry or in federal civilian employment cannot be imposed on military organizations which are necessarily authoritarian.

Discipline is the indispensable ingredient in military operations. The military is not, and cannot be, a democratic organization. There is no room for negotiation or vote on whether commands are to be followed. National security requires that military organizations be able to count on instant obedience to orders.

Imagine the situations that might develop in a unionized military. Union negotiators and military leaders might haggle over the weight of the soldier's pack, how much paint a sailor should chip off in a day, how many miles a drill sergeant can make a marine march, whether a G.I. has to slog through the mud on maneuvers or can wait for a dry day, how many times hash can be served for breakfast, whether a recruit can be assigned K.P., or be required to pick up cigarette butts around the barracks, whether soldiers can be required to live in a barracks or at least in non-air-conditioned ones.

In combat situations, perhaps union leaders would demand a vote on whether units should

assault this hill or that, or whether it should assault any hill. Suppose enemy ships were posed off the U.S. coast ready to put soldiers ashore; wouldn't it be a good time for U.S. union troops to demand a pay raise? . . . While we presume the AFGE has intentions of pursuing the matter (Why else would it have changed its constitution to allow servicemen as members?), we also presume that some authority—the courts or the Congress—will have the good sense to stop such a unionizing effort before it gets off the ground.

From the Dallas Morning News, Dallas, Texas, October 7, 1976:

A union, any union, looks to the strike as the ultimate weapon to enforce its demands.

But with the military matters, it would be infinitely more serious. The armed forces depend on obedience to superior authority; there can be no resort by dissatisfied infantrymen to the mediation of shop stewards. An order is to be carried out because it is an order. As for the Dutch Army, which has become a rabble, unionization would destroy discipline.

But should there be a military strike! That is the truly awful possibility. Such a strike would constitute mutiny. It will lay the whole country open to physical danger.

Not for a moment can such an eventuality be discounted—and never mind the glib assurances of the American Federation of Government Employees. These assurances are as ephemeral as gunpowder smoke. We cannot build a strong military upon them—nor should we even try unless as a nation, we have gone stark staring mad.

PUBLIC OPINION POLL ON MILITARY UNIONS AND STRIKES

	Military Unionization		Military Strikes	
	Favor (in percentages)	Oppose	Permit (in percentages)	Not Permit
All respondents	18	82	18	82
Age				
18–24 years old	33	67	33	67
25–34 years old	25	75	19	81
35–44 years old	16	84	19	81
45–54 years old	15	86	17	83
55–64 years old	11	89	13	87
65 years and over	13	87	11	89
Education				
Less than high school	22	78	19	82
High school graduate	18	82	18	82
Some college/vocational	14	86	16	84
College graduate	15	85	18	82
Post graduate	20	80	15	85
Sex				
Male	16	84	15	85
Female	20	80	21	79
Labor union affiliation				
Yes	24	76	25	75
No	15	85	14	86
Employment/union status				
Private sector union	21	79	23	77
Private sector nonunion	16	84	14	86
Public sector union	29	71	28	72
Public sector nonunion	13	87	10	90

Source: Decision-Making Information for Public Service Research Council, Santa Ana, California.

Selected AEI Publications on FOREIGN AFFAIRS

The Crisis in the Lebanese System: Confessionalism and Chaos

Enver M. Koury

The Lebanese system of power sharing and the way it has responded—or failed to respond—to the revolution of rising expectations are the subject of this study. Using sociological models, the author explores internal and international facets of this crisis. From this base, alternative means of power sharing to help provide a workable solution are proposed.

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Enver M. Koury is associate professor of political science at the University of Maryland.

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William E. Ratliff is Latin American area editor of the *Yearbook on International Communist Affairs.* In addition to academic publications on Latin American and Chinese history and politics, he has written for the *New York Times,* the *Christian Science Monitor,* the *New Leader,* and *National Review.*

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Allan W. Cameron is assistant dean at the Fletcher School of Law and Diplomacy.

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Kemp serves on the House Appropriations Committee's Subcommittee on Defense, and Aspin is a member of the House Armed Services Committee.

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The American Enterprise Institute established the Public Policy Project on National Defense in June 1976 to examine the many controversial issues involved in the defense of the United States. The project commissions research into concepts of strategy, manpower and force structure, the economics and administration of defense, and other major aspects of defense policy. It also sponsors television debates and round table discussions, as well as informal seminars and conferences, on current defense issues. The *AEI Defense Review* is one result of this project.

The project is chaired by Melvin R. Laird, a former congressman, secretary of defense, and domestic counsellor to the President, and now a senior counsellor for *Reader's Digest*. An advisory council composed of distinguished proponents of many different viewpoints participates in project programs, which are designed to encourage the competition of ideas on defense policy. General Bruce Palmer, Jr., former vice chief of staff of the U.S. Army and former executive director of the Defense Manpower Commission, serves as consultant to the project chairman. Dr. Robert J. Pranger is AEI's director of Foreign and Defense Policy Studies.

Foreword

This *AEI Defense Review* is devoted to U.S. security interests in Korea, specifically the question whether U.S. ground forces should be withdrawn from that area. Since the Potsdam Conference in August 1945, just before the end of World War II in the Pacific, the United States has had a close and special relationship with Korea. At that conference, the United States, the United Kingdom, the U.S.S.R., and China agreed to establish a "free and independent Korea." Pending the achievement of that goal, the country was to be temporarily divided at the thirty-eighth parallel.

It was further agreed that the U.S.S.R. would move forces into Korea north of the parallel, and the United States to the south. In June 1950, a large, relatively modern North Korean Army, trained, equipped, and supplied by the U.S.S.R., almost completely overran South Korea, which was defended by a small, lightly armed, and poorly equipped constabulary. Thus began the Korean War. U.S. forces immediately reentered Korea, and a U.S. military presence has been there ever since. A military armistice agreement was signed at Panmunjom in July 1953 by the opposing commanders, but no peace treaty has been effected.

The question of withdrawing the remaining U.S. ground troops, a division-size force, became a presidential campaign issue in 1976. Senator George McGovern presents the case for withdrawal and for what he terms a new Korea policy. General Richard G. Stilwell, U.S. Army, recently retired commander of the UN forces in Korea, presents the case for maintaining the status quo.

Forthcoming issues of the *AEI Defense Review* during 1977 will address the Department of Defense budget for fiscal 1978, the basis for a new treaty in the Panama Canal Zone, the future of the all-volunteer force in the United States, and the standardization of NATO arms.

BRUCE PALMER, JR.
General, U.S. Army (retired)
May 1977

The U.S. Risk in Korea

George McGovern

I have growing doubts about the future stability and security of South Korea. What is most unsettling is the fact that those doubts flow from conditions which are largely beyond the control of the United States. No one can dispute the fact that our security arrangements with South Korea —the 1954 Mutual Security Treaty and the physical presence of United States forces—have served for nearly a quarter-century to help avoid a violation of the 1953 armistice between North and South. But their efficacy is fast declining. And the dominant challenge for American policy makers is becoming one of determining the extent to which our own forces should be exposed to the growing risk of another unwinnable Asian war.

Origins of the U.S. Commitment

In defining the American interest in Korea it is often noted that the Korean peninsula is the world's most prominent point of great power convergence—where there is immediate proximity among the Soviet Union, China, Japan, and the "Pacific frontier" of the United States. Indeed, by jet aircraft Tokyo is barely sixty minutes away. It is fifty minutes to Peking, and only forty minutes to Vladivostok in the Soviet Union. The United States, of course, is directly on the scene, with an authorized force level of 42,000 soldiers, sailors, airmen, and marines, the Seventh Fleet patrolling the seas nearby, and a heavy, direct stake in the economy of South Korea.

But all of this only states a geographic fact and, in the case of the United States, an old foreign policy decision. It is far more relevant to examine the specific dangers and obligations that logically follow. And that, in turn, requires some attention to how we got where we are in Korea.

For as long as there has been recorded history Korea has been a culturally distinct Asian society that has resisted domination from outside powers. In 1905 that struggle was lost. From then until the end of World War II the peninsula was controlled and exploited by Japanese occupiers.

Like that of Germany, the partition of Korea was a product of American-Soviet collaboration in World War II and of their postwar decisions. When Japan was finally defeated, the Soviet Union—though declaring war on Japan only two days before the Japanese offer of surrender—occupied the portion of Korea north of the thirty-eighth parallel. The United States occupied the South. Both occupiers spoke of early reunification through a five-year four-power trusteeship. But both also took steps in the early postwar years to make peaceful reunifica-

George McGovern, Democrat, is senior senator from South Dakota, and chairman of the International Operations Subcommittee of the Senate Foreign Relations Committee.

tion impractical. By 1948, the Soviet Union had installed a Communist leader and member of the anti-Japanese resistance, Kim Il Sung, as premier of the Democratic People's Republic of Korea, and the United States had established a rigid anti-Communist who had been in exile in this country, Syngman Rhee, as president of the Republic of Korea in the South. Both were dictators, but at opposite ideological poles. Each denied the legitimacy of the other. There was never any reason to expect a convergence between them. In effect, the temporary demarcation line had become a hard political boundary. Both Kim and Rhee threatened to reunify Korea in the only way it could have been done from 1948 on—by force.

Still, Korea was not a major geopolitical concern of the United States. In 1949 and early 1950 the Joint Chiefs of Staff did not consider the peninsula to be vital to our own national security nor did they think it was essential to the defense of Japan. It seems surprising in retrospect, but even General Douglas MacArthur held that view at first. In January 1950 Secretary of State Dean Acheson told the National Press Club[1] specifically what our policy of containing communism meant—where, precisely, the free world defense perimeter was drawn. Korea was excluded. Perhaps he made explicit what would have been better left ambiguous or unsaid—it was widely assumed later that the speech amounted to a declaration to Kim Il Sung that he could attack the South with no fear of a response from the United States. But if his statement was politically hazardous, Acheson was not walking out on a policy limb. He was only articulating the conventional wisdom of the foreign and defense policy establishment at the time.

It should be noted that this view prevailed even in the wake of the revolution in China and the consequent budding anti-Communist hysteria in the United States. Though we did officially regard communism as a Moscow-controlled monolith, Washington also had a sufficient understanding of the situation in China to recognize that the collapse of the Kuomintang was essentially an indigenous event. It was not taken at first as an overt act in an expansionist Soviet game plan.

But six months after Acheson spoke something happened that was seen as entirely different. On June 25, 1950, North Korean troops poured across the thirty-eighth parallel into the South.

The United States promptly joined the battle. I think that was done not because Korea had suddenly acquired a new global significance of its own, but because of how we perceived the attack. As President Truman put it, "The attack upon Korea makes it plain beyond all doubt that Communism has passed beyond the use of subversion to conquer independent nations and will now use armed invasion and war."[2]

So our abrupt shift—from virtually ignoring Korea to war over Korea—was defended by our conclusion that the Soviet Union was even more dangerous than we had thought. The assumption was that South Korea was the helpless victim of naked aggression planned and directed from the Kremlin. Our involvement on behalf of Syngman Rhee was justified not as the defense of one group of Koreans against another, but as the defense of the free world against a blatant Soviet attack.

By today's lights that assumption itself is highly dubious. When the attack came, the Soviet Union was boycotting the United Nations Security Council because of its refusal to seat the new government in China. It was the Soviet absence which permitted adoption of the U.S. sponsored Security Council resolution branding North Korea the aggressor and calling for a military response under United Nations auspices and command. It taxes the imagination to suggest that the Soviet Union ordered the Korean War while absenting itself from the Security Council. Days later the Soviet Union returned to the United Nations, with the China question still unsettled.

It is also pertinent that the Soviet Union never entered the Korean War, even when Kim's

[1] Address by Secretary of State Dean Acheson before the National Press Club, January 12, 1950.

[2] Statement of President Harry Truman, announcing U.S. response to outbreak of war in Korea, June 27, 1950.

forces had been pushed back almost to Soviet territory. That refusal has strained relations between the two countries ever since. Is it possible that the Soviet Union would care so little about the outcome of a war it had planned?

In any case, it was a gross distortion, yet one hardly questioned at the time, to portray South Korea as the peace-loving victim. The contrary was true. Syngman Rhee was spoiling for a war, and had repeatedly condemned the United States for our refusal to underwrite a northern adventure. For his inauguration in 1948, he had arches constructed to proclaim the slogan, "Today we establish our Republic. Tomorrow we'll march northward." There is substantial evidence that Rhee's armies had conducted regular forays against the North long before the large scale North Korean invasion. And just days before the war began, Rhee wrote to an adviser that he thought, ". . . now is the best time for us to mop up the guerrillas in Pyongyang. We will drive Kim Il Sung and his bandits to the remote mountains and make them starve."[3]

Doubtless Rhee believed the mirror image of what Kim believed—that an attack across the thirty-eighth parallel would spark a popular uprising to welcome the invader as liberator. And the context of the war's beginnings suggests something else—that regardless of how the fighting actually began, neither Korean regime was a puppet; that instead both were skillful puppeteers, manipulating the great powers for their own ends.

The Korean War and armistice had a number of profound, far-reaching consequences. When General MacArthur pushed north to the Yalu River, China entered the war, and the experience helped freeze our attitudes about that country for more than a generation. The war cost 33,000 American lives, which in itself created a commitment, to ourselves, that they should not have been sacrificed for nothing. Several million Koreans died, which spread among the people the same mutual antagonism that before had been confined mostly to leadership levels. And, finally, through the drawn-out armistice negotiations, the United States was locked into the sort of lasting security commitment we had not previously thought either prudent or needed.

In the first twelve months of the war, South Korea, then North Korea, and then the South again suffered near-defeats; General MacArthur was relieved of command, and General Matthew Ridgeway took over to slog back to a stalemate at essentially the same lines where the war had begun. Then peace talks started at Panmunjom —and the war dragged on for two more years.

The overriding impediment to peace was Syngman Rhee's obstinate refusal to let the war end. Like a later American ally in Vietnam, Rhee was bitterly opposed to the peace discussions. He remained determined to retake the North—with, of course, U.S. forces doing most of the fighting and paying the bills.

Rhee finally relented. He was doubtless influenced to some extent by the fact that North Korea's troops began engaging South Korean units alone, avoiding attacks on the Americans. By themselves, Rhee's forces were routed.

But in the end Rhee agreed to an armistice only after he extracted from the United States both a pledge of large-scale American aid and a direct American security guarantee—the Mutual Security Treaty formalized in 1954. We had to bribe our ally to get peace. And the payoff was a declaration that from then on the United States was directly and immediately concerned with the security of Syngman Rhee's government, not only against threats from the Soviet Union or China but also from North Korea, too, or from any other conceivable source. In 1948, the temporary demarcation line became a border; in 1954 a tangential interest in South Korea became a commitment.

A Longer Look at America's Interest

This history is worth recalling because I think we ought to ask ourselves what was really wrong with the security line Acheson drew in 1950. We must, of course, deal with the problem that if we were to enunciate it again today the same

[3] Gaddis Smith, "After 25 Years—The Parallel," *New York Times Magazine*, June 22, 1975.

thing might happen again. Kim Il Sung might be emboldened to renew the attack. It is a serious question, and I do not dismiss it. But for present purposes, it eases the analysis to set aside the question of deterrence for the moment simply to ask how important American interests might be affected if South Korea were *not* in anti-Communist hands. If the United States is not the policeman of the world, why must we be the policeman of the thirty-eighth parallel?

Any modern appraisal of Korea's global importance must account for a more practical and less foreboding understanding of the international military threat than the one we held in the 1950s. Since then we have seen Communist unity shattered in the bitter division between the Soviet Union and the People's Republic of China. With it has been shattered the image of a monolithic Communist menace.

Obviously that does not mean we have nothing to fear. Certainly the Soviet Union, in particular, is at least a potential threat to its neighbors and to American interests.

But we do have far less to fear than we used to think. Today's world is not hospitable to empires. Even if we had the power to prevent them, we should now be able to recognize that neither every revolution nor every disturbance of the status quo is an automatic threat to American safety. Regardless of internal ideology, countries tend to act according to what they perceive as their own interests and in line with their own traditions, and not according to some grand scheme planned elsewhere.

Of course no one postulates a Korean attack on this country even should Korea be reunified under Communist control. If it had the inclination, it still would not have the power.

The United States concern over Korea is clearly indirect. It flows partly from aspirations retained at the end of World War II to be both a Pacific power and, beyond that, a power on the Asian mainland. But it is far more comprehensible, and justifiable, to conclude that our interest in Korea stems from our close association and alliance with Japan.

That relationship is firmly rooted in solid ground. Our interest in the security of Japan is fortified by a mutual commitment to shared values. And the position of Japan is unquestionably important to the future of the Pacific area.

It also makes sense for both countries to continue the present mutual security arrangement. Japan is behind both our conventional and our nuclear shield. Japanese military forces are constitutionally limited to the minimum levels required for conventional self-defense. An enlarged Japanese armaments program could inflame old fears on the Asian mainland.

But along with the American guarantee, Japan's security has been best served in recent years by increasingly cordial contacts with other major powers in the region. Japan traded extensively with the People's Republic of China even before relations were formalized in 1972. The two-way flow now exceeds $3 billion per year. Because of the expanding interaction, and also because of the historical relationship between the two countries, China should not be regarded as a serious military threat to Japan.

Relations between Japan and the Soviet Union are less friendly, mainly because of disputed claims to islands north of Japan that were occupied by the Soviet Union at the end of World War II. Yet here, again, trade is substantial, and there is a prospect for broadened economic cooperation.

While endorsing a continued American presence in the South, Japan has also cultivated a relationship with Kim Il Sung's government in North Korea. Tokyo supplies no military aid to the South Korean government.

While Japan is economically linked to South Korea, it should be obvious that Japan's security depends not on Korea but on the American security guarantee and on good relations with countries which could pose a threat—China and the Soviet Union.

The status of Korea does make our alliance with Japan more convenient. But it is not a decisive factor. The U.S. presence in the Pacific and the Asian region includes nearly 130,000 military personnel, exclusive of Korea. We have 78,000 military personnel on Japan and Okinawa. The Pacific force includes the Seventh

Naval Fleet consisting of two aircraft carrier task forces with associated attack submarines, several wings of tactical aircraft, strategic bombers, and the greater portion of a U.S. Marine division. Those forces, particularly naval and air forces, and not the troops and bases in Korea, make up the weight of our deterrent against the remote risk of a tangible Soviet or Chinese threat to Japan.

And it is a remote risk. Any hostile power must know that aggression against Japan would be the equivalent of an attack on the United States, with all that would entail. Therefore, if such a conflict were to happen, it would most likely be the result not of a deliberate decision but of escalation from a smaller conflict gone out of control.

It is that possibility which raises one of our primary, direct concerns with Korea. Whatever the ideology of the resulting government, a peaceful reunification of the Korean peninsula would not pose any grave risk to Japan. But a new Korean war could pose such a risk—especially if it involved the great powers, and especially if any of those powers crossed the nuclear threshold.

Therefore, with respect to any possible Korean war, we have conflicting security interests. Not for broad humanitarian reasons alone, our first interest is to prevent a war. To most analysts, that seems to call for a reinforcement of our security commitment to South Korea and a continued American presence, to underscore the deterrent against the North. But at the same time we have a compelling security interest in not being involved if a war nevertheless happens. Beyond the agony we would suffer in another Asian war, our involvement, and that of other great powers that are bound by mutual security arrangements with North Korea, could obviously jeopardize Japan and could present an immediate danger of nuclear war.

Finally, we certainly cannot neglect our concern for the people of Korea. The case is weak for regarding South Korea as a primary security interest of the United States. Nevertheless, after what has happened over twenty-seven years, the Acheson formula sounds harsh and even heartless. We have developed strong cultural, economic, and emotional ties with that country. Our policy has encouraged their dependence upon the United States. We cannot help but care very deeply about what happens to the Korean people. It is morally repugnant to think of them either enduring a war without our help or falling under the control of the North Korean leader and system they genuinely despise.

These, then, are the major factors we must weigh in considering our posture in and toward Korea: Our priority security interest in Asia is Japan; our interest in Korea is derivative. Our security interest would not be seriously endangered by the peaceful reunification of Korea, even if that were to result in a Korean government that was more closely aligned with the Soviet Union or China. But our legitimate security interests could be severely endangered by renewed war in Korea, especially if it involved the forces of major outside powers. And although it cannot be classed as essential to our security, we have a strong preference against the extension of communism across the thirty-eighth parallel into the South, by whatever means.

A New Policy Allowed

Since the Korean armistice, a cornerstone of American policy has been to build up a strong and indigenous defense capability in South Korea.

Through fiscal 1975 American taxpayers had financed over $6.5 billion in military aid. Another $5.6 billion in economic aid has also strengthened Korean defenses indirectly, by helping to generate the economic growth and expanded public revenues which have permitted bigger South Korean arms budgets.

By 1971 that process had gone so far as to allow the withdrawal of 20,000 American troops, a step which was accompanied by the launching of a $1.5 billion American commitment to a five-year Korean military modernization program. Actual military aid for the period came closer to $2 billion. Though grant aid has been almost entirely phased out, then Secretary

of Defense James Schlesinger in August 1975, pledged U.S. support for a $5 billion Korean "Force Improvement Plan" involving U.S. credit sales and assistance in developing an enlarged South Korean arms industry. The plan is scheduled for completion in 1981.

Though there are a few remaining gaps, these programs already have brought a truly formidable South Korean military establishment into being. Even now the military balance on the peninsula lies heavily on the side of the South. With some 595,000 men in ground forces and marines, South Korea has the fifth largest land army in the world. An estimated 300,000 South Koreans are battle tested through combat experience in Vietnam. North Korea has an estimated 410,000 men under arms, or only about two-thirds as many as the South.

Further, North Korea draws from a much smaller pool of potential military resources. Its population of some 15 million people is less than half that of the South. The Northern economy is less than one-third as large. As a result, even to maintain its smaller armed forces, North Korea must devote proportionately twice as much of its national product to defense.

Outside of manpower, North Korea does have numerical advantages in tanks and in aircraft. But the South has an impressive antitank capability, including American TOW missiles, and, when quality is factored in, a case can be made that South Korean air forces are superior. Including deliveries in fiscal 1975 through 1977, South Korea has 330 total combat aircraft to 573 for North Korea. But the South has more than 200 modern, high performance aircraft, compared with 153 on the other side. Most of North Korea's planes are relatively obsolete MIG 15s, 17s, and 19s. The reluctance of the Soviet Union to supply more advanced weapons has, in fact, been a source of tension between the two governments. While Kim's air forces are made up mostly of defensive interceptors, South Korea has a concentration of longer range fighters and fighter-bombers which could inflict punishing bombardments throughout North Korea in response to any attack. Many of those aircraft are housed in hardened shelters, to thwart any attempt at a surprise preemptive strike. And in any event, the perceived deficiencies in Southern forces are being rapidly made up, through aid and projected totals of arms spending that are roughly twice what the North has been mustering each year.

Hence, whether or not there is a guarantee of U.S. involvement, there is already a strong and growing deterrent against North Korean adventurism. The South Korean capital, Seoul, may be geographically vulnerable because it lies only thirty miles from the demilitarized zone. But certainly North Korea could not expect an easy victory—on the contrary, it would have to expect a certain retaliation that would wipe out all of its own reconstruction efforts and return it to the devastated condition of 1953.

If attacking Northern forces were joined by troops from China or the Soviet Union, then obviously South Korea would need direct help. But it is clear that against North Korea alone, South Korea is now, or at least soon will be, abundantly equipped to do the job itself. And that condition should be seen as giving the United States policy options that we may not have had before.

A New Policy Required

If the favorable military balance allows us to review our posture in Korea, a second set of new circumstances—President Park Chung Hee's increasing repression—compels us to do so. And it is not only the embarrassment of alignment with a disreputable government that creates that compulsion. I think that Park's actions since 1972 have dramatically heightened the risk of war, and that so long as he persists in that course the odds in favor of armed conflict will continue to rise each year.

Park's dictatorial instincts come as no surprise. He was an officer in the occupying Japanese imperial army in Korea before World War II. He seized power in South Korea in 1961 through a military coup, and promptly banned demonstrations, closed newspapers, arrested tens of thousands of his opponents, established the Korean Central Intelligence Agency (KCIA)

for both internal and external spying, and created a new system of military courts.

The Kennedy administration responded forcefully, threatening to terminate all aid. Because his dependence on the United States was so great at the time, Park had no choice but to relent. In 1963 his government promulgated a new constitution, which provided that even in emergencies "the essential substance of liberties and rights shall not be infringed." Until late 1971, largely because of American pressure, South Korea enjoyed something close to democratic rule. But it plainly did not happen because Park had democratic inclinations.

In late 1971, following the withdrawal of about one-third of the U.S. forces stationed in Korea, Park began a sharp swing back to and beyond his earlier form. In December he declared a state of emergency. In October 1972, he declared martial law. The next month, with the force of the national government behind it, he was able to bully through a radically different Yushin, or "revitalization," constitution which literally amounts to a charter for dictatorship. Article fifty-three provides, for example, that

> In case the national security or public safety and order is seriously threatened or anticipated to be threatened . . . the President . . . shall have the power to take emergency measures which temporarily suspend the freedom and rights of the people . . . and enforce emergency measures with regard to the rights and powers of the executive and judiciary.

Park, of course, is the sole judge of "anticipated" threats to public safety. He has the sole power to suspend whatever rights he finds troublesome, and to withhold them "temporarily" for as long as he likes.

Park had been nearly defeated in the 1971 presidential election by a young reformer, Kim Dae Jung. Kim received 46 percent of the vote, and former State Department officials believe he would have won except for corruption, such as a $3 million contribution by the Gulf Oil Corporation to Park's campaign. The 1963 constitution would have prohibited another term for Park. But under the Yushin constitution, which abolishes the limitation on presidential terms, he had himself reelected in December 1972 by a new National Conference for Unification, which he controlled. Now he can hold power as long as he wants.

Oddly enough, all of this reactionary groundwork was being laid at a time of relative cordiality between North and South Korea. Red Cross teams from the two sides met in 1971, and in July 1972 the two governments signed a joint communique calling for a reduction in tensions and for negotiations toward reunification. There had also been an abatement in incidents along the DMZ. This reinforces the conclusion that while Park claims he was moved to extreme steps by the threat from the North, his real motive was simply to consolidate and hold absolute power in the South.

Whatever the motive, that is precisely what he has done. Armed with a series of emergency decrees—and with the KCIA, totaling as many as 300,000 personnel—as chief enforcer he has established a pervasive reign of fear. The free Korean press has been abolished, and foreign correspondents considered to be unsympathetic —including two from the United States—have been expelled. Criticism of Park or of his constitution is outlawed. Prominent opposition leaders have been jailed. Students have been expelled and professors have been fired.

In 1975 the government claimed to have uncovered a "People's Revolutionary Party" aligned with the North. By all credible accounts I have seen, the party was a fabrication. But eight members were executed.

Last March the head of a national women's church group read a "Declaration for Democratic National Salvation" at a Catholic church service in Seoul. It was signed by twelve prominent political and religious leaders, including former President Yun Po Sun and former candidate Kim Dae Jung. It reaffirmed the signers' faith in democracy and called for Park's resignation, for repeal of the Yushin constitution and the emergency decrees, and for economic reform. The government saw it as a subversive effort to "incite a conspiracy to overthrow the

government,"[4] and arrested twenty-eight people. In August eighteen of them were found guilty of plotting rebellion and were sentenced to prison terms of from two to eight years. (Perhaps in response to pressure from the United States, the sentences were subsequently reduced.)

Park's effort to consolidate power has reached well beyond South Korea's borders. In 1973, Kim Dae Jung was kidnapped from a Tokyo hotel by KCIA agents, after he had made a series of critical speeches in the United States and Japan. The KCIA also operates in the United States to harass Korean-Americans and Korean residents of this country who are critical of the South Korean government. Investigations are underway into charges that the South Korean government has been spending $1 million a year to bribe American public officials. The State Department has confirmed that in 1974 an aide to President Park tried to give $10,000 in cash to a White House official.

While there have been expressions of concern from the Congress and from various human rights groups, any official American alarm and pressure over these events has been blunted by a contradictory American policy—one of reinforcing our commitment to South Korea, especially in the wake of the fall of Saigon in April 1975. When that happened, President Ford had already made a personal trip to Korea. Days later, in May, he told the New York *Daily News* that "We have a treaty with South Korea. . . . this Administration intends to live up to our obligations".[5] In August, Secretary Schlesinger also went to Korea to declare that our troops would remain indefinitely and to lend assurances of U.S. support for the force improvement program. In the same context Schlesinger, and later his successor, Secretary Rumsfeld, hinted strongly that we have tactical nuclear weapons in Korea (the probable total could be in the range of seven hundred, including surface-to-surface missiles with maximum warhead sizes up to nearly seven times as big as the Hiroshima bomb) and that we would not hesitate to use them. Discussions of a nine-day Korean war scenario filtered into the public realm, stressing that the problem in Vietnam was that the United States did not move decisively enough when public opinion still supported the war; in Korea we would avoid that mistake by using whatever was required for a speedy conclusion of the conflict.

Of course all of this was aimed at Kim Il Sung, lest he get the impression that the Vietnam outcome would bode well for his ambitions. And in that sense the American verbal strategy was not at all unreasonable. At the time Saigon was falling in 1975, Kim was traveling to both Moscow and Peking, quite possibly in search of support for a plan to start the Korean War again when a war-weary United States would be least likely to respond. (He apparently found no encouragement. Both countries support reunification under Kim, but they stress that it must come by peaceful means.) But if Kim was the intended audience of American expressions of concern, Park was the beneficiary. The Ford administration could hardly expect to have leverage on human rights at the same time as it was embracing Park more warmly than ever.

How does Park's posture make war more likely? One theory is that the Korean people will become so aggravated at Park that they will simply join forces with Kim Il Sung. I do not see that as a credible prospect in the near term. The leading Korean dissidents are democrats above all else, and if they think Park is bad on political liberties they know Kim is even worse. Donald L. Ranard, a former director of Korean affairs at the State Department, has referred to Kim's "cult of personality mentality, the comparable likes of which in modern times flourished only in Stalinist Russia."[6] North Korea is among the world's most thoroughly totalitarian and isolated countries. One journal, *Freedom at Issue*, last year rated countries on a one-to-seven scale on political and civil rights abuses. South Korea received a "five" rating. North Korea earned a "seven," or the worst possible score. With such knowledge, and on the basis of their strong com-

[4] Indictment from the Seoul district prosecutor, March 10, 1975.

[5] President Gerald Ford, interview with New York *Daily News*, May 20, 1975.

[6] Donald L. Ranard, "The Korean Peninsula and U.S. Policy," inserted in *Congressional Record*, March 24, 1976, p. E1521.

mitment to democratic ideals, today's dissidents —principally religious and intellectual groups —are not likely to find any grounds for preferring Kim's brand of dictatorship over Park's.

It is, though, something we have to worry about over the longer term. Not only politically but economically as well, Park is fertilizing his own land for rebellion.

The image of an "economic miracle" in South Korea masks a reality of grave potential economic problems. The South Korean economy is heavily dependent upon export markets, upon a buoyant world economy, and upon favorable terms of trade both for buying raw materials and energy and for selling such finished products as textiles, steel, and electronics. When international economic conditions slumped in 1974 and 1975, Korea had to borrow heavily to finance growing trade deficits. Between 1973 and 1975 the country borrowed $4 billion, much of it simply to recycle and service debts, a process which creates no growth at all in productivity. By 1975 the outstanding foreign debt was close to $6 billion, or a third of South Korea's gross national product. Credible studies projected last year that between 1976 and 1980 Korea will have a need for up to $15 billion in capital inflows, worsening trade deficits, and a new foreign aid requirement of $1 billion a year.

In light of Park's political repression, it does not seem likely that either Congress or the American people would accept United States leadership in such a rescue mission. Indeed, the foreign aid law already places tight limits on aid to countries which "engage in a consistent pattern of gross violations of internationally recognized human rights."[7]

Nor was the economy a source of universal joy in Korea even without these ominous international conditions. The development of capital-intensive industry has meant that millions of workers were left without jobs—a million unemployed, at least another million underemployed. Many of those who have jobs receive miserably low wages—their "contribution" to the construction of export markets. In 1975, only 13 percent of the work force was making enough to meet what the government itself set as a minimum urban standard of living, and 54 percent of the workers were making less than half that much. On top of worsening inflation, Park has imposed a new defense tax on earnings to pay for the military force improvement program.[8]

South Korea is thus in an extremely dangerous economic and political box. A debt crisis would almost certainly lead to a sustained depression. To avert that possibility, Park is more likely to follow a policy of stringent austerity—which means, in essence, less income for workers and still less of a chance to live for the jobless. Either route can have the same political results —growing social unrest, radicalization of workers, and the potential for home-grown revolution and for real collaboration with North Korea, instead of the collaboration Park imagines now.

Obviously Park is staking his future on the assumption that a police state can prevent any rebellion. For the present that tactic seems to be working. But South Korea's economic problems are only beginning. The unsettled question is whether the lonely, brave democratic dissenters of today will be succeeded a few years hence by hundreds of thousands or millions of militants who are determined to bring down the system. And outbreaks of internal violence would, of course, create the perfect opportunity for North Korea to move in.

But there are also more immediate dangers. The most obvious is that at any time Kim Il Sung could easily miscalculate and assume that what might happen someday has already happened—that exploitation of workers and political repression has already made the North a welcome alternative to many or most South Koreans. That does not mean he could win a war. It does mean that he might start one, and it is a possibility that ought to be factored into the American posture.

The other short-term danger is one that

[7] Section 301, International Security Assistance and Arms Export Control Act of 1976, Public Law 94-329, June 30, 1976.

[8] For a detailed assessment of the South Korean economy, see "Economic Crisis Looms for South Korea," *International Policy Report*, Center for International Policy, Washington, D.C., December 1975; also James Stentzel, "Balance of Fear—The South Korean Trap," *Nation*, April 10, 1976.

rarely receives any attention in official discussions of this issue. If we are fearful that the smaller, poorer, and less heavily armed of the two Koreas might try forceful reunification, what makes us think that the larger, richer, and more lavishly armed of the two is immune from such ambitions? To explain himself both at home and to the world, Park has relied upon his ability to generate a national mood of almost hysterical fear that the North is about to launch an attack. But hysteria is hard to sustain if the fear is not realized. I consider it quite possible that Park himself may deem it necessary at some point to inspire a major military incident or even full war, in order to persuade both his American benefactors and his own people that the threat is real. After all, he, too, wants Korea reunified under his own rule. And, as noted above, the character of the arms we have supplied him and are sending now leaves him much better equipped than Kim for such an adventure.

Inevitable Involvement

The third new circumstance warranting a reassessment of our Korea policy flows from institutional changes here in the United States.

The dubious factual rationale for the Gulf of Tonkin resolution in 1964, and such later Vietnam incidents as President Nixon's "incursion" into Cambodia in 1970, raised serious questions in the Congress about the modern application of the constitutional distribution of war powers. In 1974, after several years of hearings and studies, Congress adopted and President Nixon signed a new War Powers Act designed to inhibit presidential wars. The institutional philosophy of the act was the same as the thinking behind the original constitutional language—that since the decision to go to war is one of the most fateful a government ever makes, a positive decision should be hard to reach; that not only the President but the Congress must approve the initial decision.

But in Korea, as in few other locations in the world, the purpose of the act is wholly defeated by the way our troops are deployed.

A full battalion of the American Second Division is based right on the southern edge of the demilitarized zone. They are in a "tripwire" position which guarantees that if war comes—no matter who starts it—United States involvement would be automatic. War Powers Act or not, Congress would have no say at all in the matter, save to decide within sixty days, as the act does permit, whether our forces should keep fighting or be pulled out under fire.

Indeed, the President himself would have no real choice. With an American battalion under fire, could any President avoid sending the remainder of the division, stationed twenty miles away, to help them out? Would a President leave our aircraft in Korea on the ground when their use could save American lives?

The war powers problem is aggravated by the presence of nuclear weapons. Conceivably some of them could be captured in an invasion. They could fall under the control of the South Koreans who could force their use against our will. In extreme circumstances they might be used by American commanders in the field without presidential approval. And certainly a war could escalate across the nuclear threshold without congressional consent. A nine-day, nuclear-dependent scenario could be completed several times over before the War Powers Act would even come into play.

Of course these deployments have a strategic purpose. The strongest deterrent is one that requires no deliberation and no conscious "yes" or "no" decision. As things stand now it is not a question of whether Kim Il Sung *thinks* we will respond if he starts anything. He *knows* we will be involved from the outset, because we have removed our own freedom of choice.

But it is not without a price. The American people should be aware and the American government must contemplate that as far as Korea is concerned, for the sake of some increment of deterrence, the new war-powers policy, which was supposed to prevent accidental wars or presidential wars, has been consigned to the ashcan.

Elements of a New Korea Policy

It should be obvious from the foregoing that Korea is a dilemma for the United States; there are no obvious or simple answers. By far the

best available choice for that country was outlined last March in the "Declaration for Democratic National Salvation" cited earlier. Beyond calling for the restoration of political liberties, it warned that "the absurd situation of the rich getting richer and the poor poorer" is a "breeding ground for communism."[9] Kim Dae Jung has been making the same case for a number of years: All Koreans want two things, he argues, bread and freedom; Kim Il Sung provides at least bread, while Park Chung Hee now withholds both.

I believe the authors of that declaration were exactly right. The one long-term hope for Korea lies in sweeping political and economic reform. But I am also convinced that there is not much the United States can do to bring it about. The leverage President Kennedy could apply fifteen years ago simply does not exist anymore. As our aid programs phase out, we have less leverage with each passing day. Further, Park doubtless knows that a restoration of political freedoms would inevitably result in his removal from power. I think it is a fantasy for either Korean reformers or sympathetic Americans to assume that the United States can somehow pry Park out of office. And more direct action—subtly, as with Diem in Vietnam in 1963, or perhaps turning CIA assassination teams loose—would be immoral, illegal, probably futile, and unthinkable for any responsible American government. Even the best of motives cannot salvage unconscionable deeds. All shades of American opinion ought to be conscious of the practical limits of American power.

Within that framework, I believe that there are several initiatives the United States ought to stress, in order to bring our Korea policy more squarely into line with our legitimate security interests in Asia.

Militarily, I believe we should promptly remove all nuclear weapons from Korea, and that we should expedite the withdrawal of our remaining ground forces. The rate of the troop withdrawal should be set primarily on the basis of consultations with our Japanese ally, but it should be independent of events in Korea. The most compelling justification for this step is simply that our nuclear and ground forces are not essential to maintain a favorable military balance over the North, and it is not worth the risk of unintended use or involvement to keep them there. There are neither Soviet or Chinese troops nor nuclear weapons in North Korea, and on that basis alone it is difficult to justify a continuous large American presence.

Our air forces, on the other hand, should remain, at least until South Korea's deficiencies in that area have been remedied. This would involve the continued presence of some seven thousand Americans, but not in forward positions where they would be immediately imperiled by any outbreak of fighting.

These withdrawals would not constitute any change in the Mutual Security Treaty with Korea, nor would they rule out direct American involvement in a Korean war. Militarily, the only case in which our troops would be necessary at the outset would be if Chinese or Russian troops joined in the North Korean attack. That prospect is extremely remote. Indeed, there is every indication that they are as opposed as we are to renewed fighting on the Korean peninsula. And if they were to pose a threat of direct involvement, their preparations would give us ample notice to allow a timely redeployment of Americans into South Korea. Meanwhile, the presence of American air forces—along with the Mutual Security Treaty and the threat of an American ground involvement—should continue to pose a considerable deterrent to a unilateral North Korean attack. I think that is the maximum we can do and still remain faithful to our own, carefully considered war powers processes.

We should also go as far as we can to loosen our ties with the Park government, and to apply whatever pressure we can toward political and economic reform. It would be logical in this context to make our support for military modernization—including the sale of modern aircraft —explicitly contingent on progress on human rights. Certainly any new dollar aid program

[9] "Declaration for Democratic Salvation," read by Lee Oo Jung, head of Korean Church Women United, at Myongdong Cathedral, Seoul, South Korea, March 1, 1976.

that might be called for as a consequence of the worsening Korean economic situation should carry the same condition, and should meet the new standards of helping the people most in need that have been written into our foreign aid law. Perhaps we have insufficient leverage to cause reform in Korea, but reform should be our unmistakable policy nonetheless. And so long as it is not achieved, we should be exceedingly cautious about supplying Park with the arms he might one day use to start a war on his own. Many Americans who are concerned about Korea look forward to the time when South Korean forces will be entirely self-sufficient, so we can get out entirely. If Park's current policies remain in effect, I frankly have serious qualms about the wisdom of promoting Korean military self-sufficiency.

Finally, we should undertake a series of diplomatic initiatives with other concerned governments, including particularly Japan, China, and the Soviet Union. Some Asia experts suggest six-power discussions, including the four major outside nations and the two Koreas, to negotiate procedures for reunification and international neutrality. Although we should stand ready to participate in such discussions, they must—in light of the present hardline attitudes in both the North and the South—be seen as only a long-range answer. Another worthwhile step would be to seek United Nations involvement in policing the armistice, to replace the American presence which, though still under United Nations auspices, is nevertheless accurately regarded as a unilateral American endeavor. Again, it is something worth trying, but also without inflated expectations of success.

There are, however, more promising options in the short term. The United States, Japan, the Soviet Union, and China should be able to agree, at a minimum, that Korea will not become a source of military confrontation among them. It may be possible to achieve balancing restrictions on arms aid and sales. And we may be able to work out agreed ways to assure that all parties will refrain from direct involvement in any future Korean conflict. Since both Koreas know they would need help and resupply from outside to have any chance of success in such a war, such an agreement may, in fact, prove to be the best way to deter both sides. Failing in that, it would at least help isolate the conflict, and prevent its spread in ways that would endanger our priority security interests in the Pacific.

These new directions are not without risks. But Korea has come to the point where the greater risk lies in holding to the course of the past. It has not been fashionable to cite parallels between Vietnam and Korea. Certainly there are major differences. The terrain of Korea is far less susceptible to a guerrilla war. The front is relatively clearly defined, and there are no infiltration routes through adjacent countries. The South Korean population is relatively urban, well-educated, and committed to democratic ideals.

But by far the most important difference has been the unity of the South Korean people, behind a government which behaved in ways that inspired their support. And that all-important distinction is now disappearing. The ultimate cause of the collapse of South Vietnam was not a failure of American will or American warriors. It was the failure of President Thieu's government to earn and hold the support of the people. Now President Park in Korea, on the basis of a paranoia inspired, in part, by the experience of Vietnam, is nonetheless copying the example of Vietnam almost to the letter. We could not change President Thieu, and desperately as we may want to help the Korean people, we also cannot change President Park. But we do have the power to stay out of another war much like Vietnam. Given the facts, I think it is what the American people would insist that we do.

And if it is a painful choice in Korea, it does have this advantage elsewhere in the world. It will give strong credibility to the renewed American commitment to human rights that President Carter has stressed. We have relations with other repressive governments. But nowhere in the world are we aligned so closely with one so bad. It is time to repair that condition. Indeed, if we are to escape the mistakes of the past and play a truly constructive international role, I think a new Korea policy is essential.

The Need for U.S. Ground Forces in Korea

Richard G. Stilwell

In the course of the presidential campaign, Candidate Carter pledged himself to withdraw American ground forces from Korea. One can be certain that he made this promise convinced, on the basis of the most authoritative advice then available to him, that the pullout of U.S. Army troops was militarily sound and politically feasible—indeed, probably overdue. It was no surprise therefore—for our President is above all a man of his word—that he should feel compelled, very early on, to make good on his pledge to the electorate. Within two weeks of taking office, Vice President Mondale announced in Tokyo that drawdowns would be effected; and at his press conference on March 9, 1977, President Carter confirmed that he remained committed to his pledge to withdraw American ground forces from Korea.

Our President shoulders the most awesome burdens imaginable. In his hands directly rests the security of 220 million Americans and, in large measure, the security of our allies as well. Beyond that, he bears inordinate responsibility for how this troubled world will evolve. The view from the oval office is thus a very special one. Sometimes it differs markedly from what was seen and described on the campaign trail. When that occurs, the President confronts the hard choice between meeting a campaign commitment and thus maintaining his credibility with the public and, on the other hand, pursuing the course that best assures the welfare of the nation.

Earlier Presidents faced such dilemmas. During the 1916 campaign, President Wilson pledged that he would keep America out of the conflagration of World War I. Within weeks of his inaugural, harsh realities forced him to ask the Congress to declare war on Germany. In 1952, Candidate Eisenhower vigorously challenged, as too defensive, the then operative national strategy of checking Soviet expansion, and committed himself to a new policy toward Eastern Europe, "Liberation Not Containment." Again, the harsh realities intruded. In the first year of his presidency, the workers in East Berlin rioted and called for help. Three years later, Hungarian patriots threw out their Communist overlords. When the Red Army moved to crush the uprising, Hungary too called for help. In neither case did America intervene.

My firsthand knowledge of the harsh realities of the East Asian environment persuades me that President Carter will also have to reconsider a campaign pledge (now converted to decision) which does not square with the national interest. That conviction has led me to prepare this article as an input to such reconsideration.

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My thesis is straightforward. I hold that the withdrawal of ground forces from Korea, without major countervailing concessions on the Communist side, will undermine the vitality of free Northeast Asia, exacerbate regional tensions, and greatly increase the risk of armed conflict. Thus I contend that the continued forward deployment of those forces is essential to security on the Korean peninsula, to the stability and forward progress of Northeast Asia, and to the maintenance of the U.S. position and credibility as the preeminent world power. Admittedly, this thesis assigns extraordinarily high value to a modest military contingent poised on a small appendage of the Asian land mass. But the facts speak for themselves.

A Bit of History

A 700-mile arc centered on Seoul encompasses Tokyo, Peking, and the air and naval bases contiguous to Vladivostok. This juxtaposition of Korea to three major powers is more than a geographic fact: it has largely shaped the tumultuous history of Northeast Asia. Why? Because for many centuries the Korean peninsula has been inhabited by an ethnically and culturally identifiable people, distinct from their neighbors, and determined to maintain their national identity. In the eyes of those neighbors, then, nonassimilable Korea has been either a barrier or an exposed flank, an ingress or egress, a buffer or a danger. Small wonder that Japan, China, and Tsarist Russia have wrestled for control of Korea; or that the peninsula has periodically been a battleground for their contending armies. Small wonder that the Soviet Union moved quickly in the wake of World War II to gain control of the northern half of the peninsula and maneuvered to bring about, for all of Korea, a political solution which would parallel Soviet successes in Eastern Europe. When that failed, the Soviet Union engineered, in 1950, the most recent effort to subjugate the Korean people.[1] That conflict brought the United States to the realization that it, too, had a vital stake in that strategic corner of the world.

The intervention of American forces, pursuant to the courageous decision of President Truman, frustrated the Communist design to engulf the fledgling Republic of Korea. Significantly, military operations throughout that long and bloody war were conducted by the only legally constituted international force in recorded history. The contingents of the United States, the Republic of Korea, and the fifteen other free world nations who joined in the effort were all brigaded under a single command, established by the authority of the Security Council of the United Nations, with the United States as the executive agent and with General of the Army MacArthur as the initial commander in chief. In midsummer of 1953, MacArthur's successor once removed signed, on behalf of the United Nations Command, the armistice agreement which brought the military dimension of the Korean conflict to a close, and assumed, jointly with the Communist commanders in chief, responsibility for the maintenance of the cease-fire.[2] The agreement also called for the establishment of a narrow demilitarized zone (DMZ) and a series of related armistice tasks.[3] These ad hoc arrangements, implementing an armed truce, were envisioned to be of temporary duration only. The expectation was that a political conference would soon convene to forge an enduring *modus vivendi* for the two halves of

[1] The Soviet objectives, mechanisms and techniques, and degree of success in obtaining control over virtually all aspects of North Korea are thoroughly researched and presented in the U.S. Department of State's excellent study, *North Korea: A Case Study in the Techniques of Takeover* (Department of State Publication 7118, January 1961). Apropos of the attack in 1950, this study concludes, *inter alia*, that "The outbreak of hostilities on June 25 is itself a reflection of the completeness of Soviet controls," and that the nature of these controls "attest to the fact that the decision to attack south could never have been taken without Soviet approval if not inspiration."

[2] The Military Armistice Agreement was signed at Panmunjom on July 27, 1953, by three general officers: General Mark Clark, commander in chief, United Nations Command; General Kim Il Sung, commander in chief, North Korean armed forces; and General Peng Teh Huai, commander, Chinese Peoples Vounteers.

[3] The armistice agreement established a military demarcation line (MDL), generally conforming to the forward trace of troop dispositions at the time of signing, as the provisional frontier between the two Koreas. Further, the agreement established a demilitarized zone (DMZ), four kilometers wide and centered on the MDL, as a buffer between opposing military forces. On land, the MDL runs from the confluence of the Han and Imjin rivers (about thirty kilometers below the thirty-eighth parallel on the west coast of the peninsula), generally east and north to a point on the Sea of Japan some seventy kilometers north of the thirty-eighth parallel.

Korea. Because of continuing major power confrontation and North Korean intransigence, that work has yet to be consummated.[4] Thus, nearly twenty-four years later, the provisional military machinery is still operative and the armistice agreement still constitutes the only legal basis for defining what is South Korea and what is North.

This point merits stress. The armistice agreement imposes on the United States a juridical responsibility for the maintenance of the uneasy peace on the peninsula—a responsibility from which the United States cannot unilaterally disengage. Anachronism or not, the United Nations Command—headed by an American representing the United States government—must continue in existence until some other multilaterally agreed means can be found to supervise the truce. With the concurrence of the Republic of Korea and other allies, the United States has several times advanced proposals either to make that responsibility a shared one with the Republic of Korea or to concert arrangements which would replace the armistice agreement in toto—either course making possible the dissolution of the United Nations Command. Every such initiative has been summarily rejected by North Korea, which instead demands the abolition of the United Nations Command without precondition, the abrogation of the armistice agreement, and the immediate withdrawal of U.S. forces. Acceptance of the North Korean proposals would create an anarchic situation by eliminating the only mechanism for demarcating territorial limits and for airing (and sometimes solving) disputes. As a case in point, the Military Armistice Commission was the indispensable instrumentality for diffusing the tensions arising in the wake of the ax murders of two U.S. officers at Panmunjom in August 1976.

If there is a lesson to be learned from this bit of history, it is simply that there can be no lasting solution to the problems on the Korean peninsula without the agreement of the major powers.[5]

The Two Koreas—A Startling Contrast

It is well nigh incredible that the two halves of a people monolithic in race, language, and cultural origins could have evolved in such dramatically differing patterns within a space of three decades. Nothing better exemplifies the two competing concepts of a future world order: a cooperative and increasingly interdependent community of open, pluralistic societies as envisaged by the United States versus the centrally controlled complex of authoritarian societies blueprinted by the Soviet Union.

The South. The Republic of Korea was terribly ravaged by the war—its subsistence economy in ruins, its fledgling institutions in disarray, its educational systems disrupted. It was a nation bankrupt, disheartened, and virtually unhinged from its historic and cultural values. What has occurred since then borders on the miraculous. The nation has prospered; has implemented three highly successful five-year development plans and launched a fourth; has become firmly linked to the international free-trade market area; has attained the status of a middle power; and has molded its institutions along Western lines. American political backing and military commitment, and large infusions of American financial assistance, have been essential catalysts. But the lion's share of the credit rightfully goes to the Koreans themselves—to visionary national leadership, to brilliant economic plan-

[4] A Korean political conference was held in Geneva from April 26 to June 15, 1954, for the express purpose of "reaching a peaceful settlement of the Korean question." The allies were represented by delegations from all countries who had contributed forces to the United Nations Command, except South Africa; the Communists were represented by delegations from North Korea, China, and the Soviet Union. The two sides were firmly opposed on three key issues: the authority and role of the United Nations, the principle of free elections, and the withdrawal of foreign troops. On the last issue, which is pertinent to the questions discussed in this article, the allies held that UN forces should remain in Korea until the mission of the United Nations had been completed, that is, the creation of a unified, independent, and democratic Korea. The Communists held, on the other hand, that all foreign forces should withdraw immediately (within six months) and would not compromise on that or either of the other two issues. The conference ended without reaching agreement on any point.

[5] There are indications that it has become politically acceptable, at long last, for the Japanese leadership to acknowledge Japan's responsibilities in this area. Premier Fukuda, for example, is reported to have said in a public speech that stability in Asia is a delicate balance held by four major powers: the United States, the Soviet Union, China, and Japan. (Reported in "Confident Visitor," Washington *Post*, March 21, 1977, p. A-14.)

ning, to excellent management, and, above all, to a labor force remarkable for its discipline, its dexterity, and its work ethic. The Republic of Korea must rank as the outstanding success story in the long reach of American foreign-assistance policy. This success is all the more extraordinary for having been attained under constant threat from the implacably hostile regime with which the Republic of Korea shares the peninsula.

Integral to South Korean policy has been the creation of a defense establishment which could do its full share in providing the environment of security and confidence essential for a nation levering itself from an agricultural to an industrial economy. The South Korean armed forces today are strong, professional, and dedicated, and they reflect the value system of the society from which they are drawn. Significantly, though, a basic premise in defense planning—institutionalized in the South Korean/U.S. Mutual Defense Treaty and necessary to ensure that South Korea had sufficient resources to apply to the paramount objectives of nation building—has been that deterrence and defense were joint responsibilities. In practice, this has come to mean that South Korea would provide the great bulk of the standing forces while the United States would complement those forces in peace and war, principally with high technology, sophisticated combat-support systems, and in-depth logistical backup.

Charges have been leveled that the Republic of Korea is a totalitarian police state, that its political and legal institutions have no substance, that all individual rights have been severely circumscribed. The facts belie these sweeping allegations. The traveler to South Korea will find that the citizenry enjoys freedom of movement throughout the country, choice of residence and of occupation, and pursuit of education. He will find freedom of religion, full churches, and an increasing number of converts to Christianity.[6] He will find no detention without trial nor any trials in secret. He will find, in the body politic, a national consensus on foreign, economic, and defense policy; an all-pervading dynamism in every sector of public and private life; and unparalleled productivity, high ingenuity, and enthusiastic forward planning. He will find enormous pride in accomplishment and in way of life and the determination to defend both, whatever the cost.

To be sure, Korean democracy is not a carbon copy of American democracy. To be sure also, there has been some abridgement of the right of speech, press, and assembly. The Yushin Constitution is faithful to the Universal Declaration on Human Rights. But that constitution, adopted by over 90 percent of the electorate in a relatively free and uncoerced ballot, also authorizes the president—as in the case of France—to take emergency measures in the interest of national security. At this writing, there are perhaps 200 individuals, within the population of 36,000,000, in prison for violation of such measures. No right is absolute, and no government is required to be impotent in the face of dangers to peace and tranquillity from foreign arms. If one applies the test of a "clear and present danger," the Republic of Korea's limitations on free speech and assembly—with an armed enemy twenty-five miles from Seoul and three minutes away by air—seem more justifiable than similar U.S. actions in the Civil War, the world wars, and the Korean conflict.[7] No responsible Korean citizen wants greater individual liberty at the expense of less external security.

In short, the basic concepts of human rights are alive in the Republic of Korea and allega-

[6] In the five-year period, 1971–1976, membership in the several Protestant denominations has increased by 20 percent and now totals 2.9 million. Some 1,700 additional churches have opened. Presbyterians and Methodists account for the great bulk of the increase. During the same period, the number of Roman Catholics has increased by 40 percent to a new total of 1.1 million.

[7] There are a number of examples in which the United States, in times of national stress, undertook emergency measures which infringed upon individual liberties and freedoms. In the early days of the Civil War, President Lincoln acted to suppress the right of *habeas corpus*, and some several thousands were incarcerated under these circumstances. In World War II, every Japanese, whether a U.S. citizen or not, was forcibly removed from the western coastal belt of the United States and relocated to hastily constructed centers in remote areas of the country. In 1950, the Emergency Detention Act was enacted, authorizing the apprehension and detention without trial of all persons "as to whom there are reasonable grounds to believe that such persons will probably engage in espionage or sabotage." (At that time, incidentally, the closest active enemy of the United States was the same Kim Il Sung who now threatens the Republic of Korea.)

tions of gross violations thereof cannot survive objective examination. Anyone who suggests even the remotest equivalence between the brutal regime of Kim Il Sung and the government of the Republic of Korea is either completely misinformed or serving some ulterior end.

The North. The Democratic People's Republic of Korea is without question the most secretive, Stalinist, and closed of Communist societies. It stands unequalled as a model of thought control of an entire population. One need only recall that, within a five-year span (1945–1950), the northern portion of a people who had been as one for centuries were motivated to attack their brethren in the South. The leadership that, as a Soviet proxy, launched the violent, unprovoked offensive in June 1950 is still in charge, still pursuing its professed mission of liberating South Korea from "American imperialism and feudal oppression and exploitation," and still espousing the legitimacy of the use of force to attain that political end.

For three decades, the state propaganda machinery has been hard at work in a society without access to any other information sources. The results are awesome. The indoctrination process has deified Kim Il Sung and has maintained the nation on a war footing. In the words of the Korean Workers (Communist) Party ". . . the whole country and entire people are firmly united like a monolithic organism breathing, thinking and acting only in accordance with the revolutionary ideas of the great leader . . . a human historic example of ideological unity . . . without precedent. . . ."[8] One would be ill-advised to underestimate the power of indoctrination of this genre.

All North Koreans have been inculcated with a fierce hatred of Americans. According to history as revised by Kim Il Sung—writ large in the textbooks studied by an entire generation—it was the United States that attacked in June 1950, laid waste the North Korean countryside, destroyed its economy, raped its women, and, but for the heroics of the North Korean Army, would have eliminated the entire nation. Thus, the United States—and, in particular, the United States troops in South Korea—is the Number One national enemy since, the litany goes, only that presence prevents the collapse of the "puppet" government and institutions of President Park Chung Hee and the victorious conclusion of a war of national liberation.

The external propaganda broadcasts and disseminations have hewn to the same line and, additionally, have constantly asserted that the United States is preparing for renewed aggression. All this has been in support of North Korea's primary foreign policy objective—to get the U.S. ground forces out of Korea. From Kim Il Sung's vantage, the lies are justified by the end sought: enhancement of military advantage and loss of confidence and economic momentum within South Korea—circumstances he is set to exploit.

For North Korea, reunification of the divided peninsula is the center line of all policies. And its formula is straightforward:

- Since North Korea is the only legitimate government on the peninsula, reunification will be on its terms.
- Problems of melding diametrically opposed political philosophies, economic systems, and external ties will not arise. One set will simply be eliminated.

Substantial advantages accrue from North Korea's land border with the Soviet Union and China, with both of which it has mutual defense treaties. First, Kim Il Sung can reinforce his claim to be the unchallenged champion of Korean nationalism by contrasting the absence of foreign troops on his territory with the presence of U.S. forces in South Korea. (True, but Soviet and Chinese troops are just across the river and, in crisis, could be on North Korean soil in a matter of hours!) Second, Kim Il Sung knows that, *in extremis,* he could count on external help, since neither the Soviet Union nor China would countenance the downfall of the North Korean regime and the positioning of a non-Communist government in its stead.

[8] From the *Times* (London), February 4, 1976, quoted by David Rees in his monograph, *North Korea: Undermining the Truce,* Conflict Studies No. 69 (London: The Institute for the Study of Conflict, March 1976).

Consistent with its position on reunification, North Korea has rebuffed any proposal that would institutionalize the existence of two Koreas, even ad interim (such as concurrent admission to membership in the United Nations), and has steadfastly refused to meet with the Republic of Korea as a government (except for some preliminary nonsubstantive discussions in 1972–1973). Indeed, in the North Korean concept of reunification, the South Korean government has been a target to be destroyed rather than a party to negotiation. Witness the efforts —strenuous but unrewarding—during the 1960s to develop "revolutionary nuclei" in the South, with subversion in mind. Witness the raiding parties through and around the DMZ. Witness the construction of tunnels—prodigious undertakings and remarkably useful adjuncts for either subversive or conventional military operations—into South Korean territory. Witness the continuing efforts to infiltrate agents, openly and covertly. Witness the incessant, truculent broadcasts by Radio Pyongyang, ridiculing and defiling the South Korean government and its institutions and inciting the South Korean people to revolt.

As the essential concomitant to its ideological fervor and aggressive designs, North Korea has been at great pains to enhance its military capabilities and options to launch or support a war of national liberation whenever conditions are deemed favorable. The North Korean armed forces constitute a highly trained, highly motivated, and highly ready combined-arms fighting team. Year after year those forces have been accorded an abnormally large share of the national wealth (estimates vary from 15 to 25 percent of the gross national product);[9] and consequently they are both extremely well equipped and supported by an extensive indigenous production base that manufactures, in quantity, everything except aircraft, missiles, and sophisticated electronic gear. Since 1973, these forces have taken on an increasingly offensive stance. This has been manifested by extensive construction in the forward areas and southward displacement of substantial additional elements of all three armed services to these facilities; extraordinary hardening, particularly near the DMZ; increasing mechanization; and substantial augmentation of elite, tough commando forces, which now number many thousand.

These are the hard facts:[10]

- North Korea outguns South Korea in every measurement of ready military power.[11] The disparity is most significant in artillery (2 to 1), armor (2½ to 1), combat aircraft (2 to 1), and naval combatants (2 to 1), even taking into consideration the fact that North Korea must maintain two separate navies.
- All evidence points to continuing North Korean efforts to increase its edge on land and sea and in the air.
- The combat forces north of the DMZ are so positioned that they can attack with little or no prior movement; and the counterintelligence screen is so effective that a three-dimensional attack could be launched with no more than a few hours warning.
- The combination of interceptors, guns, missiles, and hardening make North Korea the toughest air defense environment outside the Soviet Union. There is no prospect for interdiction of the type implemented by the U.S. Air Force during the 1950–1953 war.
- An augmenting inventory of submarines poses a dangerous threat to a South Korea totally dependent on sea lines of communication.
- An indigenous production base and stockpiling give North Korea the capability to sustain an offensive for several months without external support. Kim Il Sung has

[9] David Rees, in the work cited above, estimates that North Korean defense expenditures have been about 30 percent of that country's GNP.

[10] Statistical and other data employed hereunder derive from unclassified U.S. intelligence sources.

[11] Available data indicate that the numerical strength of the North Korean Army is somewhat less than that of the South Korean Army. This is a poor index for comparing forces from non-Communist and Communist countries, however, because the military forces of all Communist countries draw considerable support from the civilian sector. What counts is that North Korea fields more divisions than does South Korea, and that the combat power of a North Korean division is at least equal to that of a South Korean division.

thus attained the capability to execute a wide variety of military options without the concurrence of or aid from his allies.

In short, a formidable force—structured on the Soviet model to emphasize violent attack and rapid advance—is poised a few miles from the South Korean heartland. That impressive strength in being and advanced state of operational readiness combine with all-consuming national ambition and aggressive design to make the DMZ the world's most dangerous frontier.

The Imbalance in Perspective. The North-South military imbalance highlights a question frequently voiced by political commentators, legislators, and analysts, "Why is North Korea with only half the population and a much inferior economy able to field armed forces with more combat power than those in the South?" And the corollary, "Doesn't this indicate a less than total dedication to survival on the part of South Korea?" The answers are rooted in the national policies of the governments concerned.

The dominant thrust of North Korean policies and programs has been the development of a military establishment sufficient to effect reunification by force, to provide the *coup de grace* in a war of national liberation, or to provide the "overhang" necessary to bring about a political settlement on its terms. All national programs have been oriented to support short-term development of maximum military power, rather than long-term economic growth. Parenthetically, this course may have sown the seeds of serious industrial and financial problems, some of which are beginning to become evident.

Over the past two decades, South Korean national military policy, forged in close coordination with the United States, has contrasted sharply with that of the North. The overriding objective was reconstruction and development of a nation state, firmly linked to the West's free enterprise system. It was, of course, essential to maintain a military establishment, which together with U.S. forces would provide requisite security and confidence, but priority would go to the basic determinants of national strength: economic growth, flourishing commerce, rising standards of living, social progress. To permit South Korean resources to be concentrated on nation building, the United States assumed the dollar costs for the support of the South Korean armed forces; and it provided the force margin to ensure a combined South Korean/U.S. military capability equal to that of the North. In the process, the United States exercised the right to prescribe the size, configuration, and weaponry of the South Korean armed forces. Since congressionally appropriated funds were largely consumed in simply maintaining those forces, the pace of modernization has been slow. The first real steps in replacing the Korean War vintage equipment were taken in the early 1970s, concurrent with a 20,000-man reduction in the U.S. troop contingent.[12]

Over the past ten years, the South Korean government has progressively assumed the dollar costs of maintaining its own forces and will be underwriting the entire bill from 1978 onward. Now that it is financially self-reliant in defense terms, has a clearer picture of the military trends in North Korea, and has increasing doubts about the long-term tenure of the U.S. forces, the South Korean government has embarked on a major program of modernization and improvement, designed to achieve, some seven or eight years hence, maximum practical self-reliance in deterrence of North Korean adventures.[13] Ambitious though it be, that program will not completely redress the North-South imbalance; its attainability without jeopardizing other national goals depends on the health of the South Korean economy; and it is premised on the maintenance in South Korea of a substantial U.S. force to complement South Korean capabilities and to convince the North of the viability of the Mutual Defense Treaty.

[12] Prior to 1972, there were two U.S. infantry divisions in the Eighth Army, each with a discrete role. The Second Infantry Division actually manned defensive positions in the westernmost sector of the peninsula; the Seventh Infantry Division was in general reserve. In 1972, the Seventh Division was withdrawn from Korea and inactivated. The South Korean Army assumed responsibility for the defensive sector of the Second Infantry Division, and the latter moved to the Seventh Division's old installations and took over the general reserve mission.

[13] The South Korean-conceived force modernization plan, launched in earnest in 1976, is nominally referred to as a five-year program. It is so only in terms of procurement; considerably more time will be required to achieve inbeing operational capability.

The Role of U.S. Forces

Composition. For the past several years, the U.S. forces in Korea have numbered about 40,000 men and women. They comprise an air/ground team, with army forces numbering more than three-fourths of the total. No U.S. Navy forces are based on the peninsula.

The main U.S. Air Force units are three tactical fighter squadrons, an air support squadron, and warning/control/communication elements. With minor exceptions, these units are concentrated at two air bases, Osan and Kunsan, well south of Seoul. The principal ground force elements are the two command headquarters (Eighth U.S. Army and the combined R.O.K./U.S. I Corps Group), the Second Infantry Division, an air defense artillery brigade, and a signal brigade. The army troop list includes a number of other supporting elements—notably logistic, engineer, aviation, and intelligence. Both the air and the army forces have nuclear-delivery capabilities.

The Second Division is, far and away, the key unit in the deployed force array and, with an approximate strength of 13,000, must figure in any plan for drawdown of U.S. ground forces. That division is located north of Seoul, in strategic reserve. With the exception of one battalion, its cantonments are well to the rear of the South Korean Army main defensive positions. One battalion is based near Panmunjom to support U.S. personnel in carrying out their responsibilities on various instrumentalities of the Military Armistice Commission. High-spirited, well-equipped, competently led, and benefiting from magnificent field training facilities, the Second Division is combat ready.

Capabilities. The U.S. force structure has been carefully tailored to ensure both internal balance and maximum support to the South Korean armed forces. The U.S. forces complement and reinforce the military capabilities of the South Korean armed forces in several important particulars:

- The tactical fighter squadrons are significant in the on-peninsula air balance.
- Ground and airborne controllers provide the expertise and communications essential for harnessing air power to the backs of the defending South Korean ground forces. The South Korean armed forces are developing similar organizations, but they are still skeletal.
- Air defense artillery units perform vital and, for some time to come, irreplaceable functions in the defense of South Korean territorial air space. The South Korean Army will, in due course, assume this responsibility but the transfer must be meticulously carried out, for the threat from the North requires that the changeover be effected without any degradation in operational effectiveness.
- Artillery, antitank, and helicopter assets add substantially to those in the South Korean Army inventory.
- Intelligence units assist in providing timely strategic and tactical information to the command echelons of both armed forces.
- A support brigade provides the mechanism which would be required to manage the flow of combat supply to the South Korean armed forces from the very outset of hostilities.
- The U.S. forces possess a broad spectrum of tactical nuclear delivery systems, and the trained personnel and organizational mechanisms to command, control, and employ these systems.
- Finally, the senior headquarters, with its associated communications and procedures, is the instrumentality through which the commander in chief of the UN Command (CINCUNC) discharges his basic responsibilities—a point which deserves elaboration.

The arrangement, negotiated in the early days of the Korean War, by which the Republic of Korea delegated operational control of South Korean armed forces to General of the Army MacArthur remains in effect. It is codified by a long standing government-to-government agreement which entrusts the defense of Korea from

external attack to the American officer who occupies the position of CINCUNC.

There are solid reasons for this command and control arrangement. Quite apart from his contingent wartime mission, CINCUNC is charged with enforcement of the armistice agreement—to which neither the Republic of Korea nor the United States, per se, is party. That responsibility cannot be discharged with a corporal's guard! In the face of North Korea's constant belligerence, encroachments on the DMZ, and forays through that zone, the constant task has been both the positioning and the control of sufficient combat strength to enforce the truce. Indeed, the line between armistice and defense responsibilities tends to be blurred. In Europe, NATO presumably has some reaction time to activate wartime command arrangements.[14] But the compressed geography of Korea and the exceptional state of readiness of forces in the North make an in being structure an absolute necessity. The UN Command has provided precisely that. It has been the glue which has held all together. While preserving U.S. national command lines, it has assured unity of effort, common procedures, common rules of engagement, fusion of intelligence, and, above all, integration of air defense. Should the UN Command be dissolved or become nonfunctional for other reasons, it will be mandatory to concert new command arrangements which will ensure minimum essential integration and synchronization of action and reaction. With a three-dimensional threat minutes away, the alternative—two sets of forces functioning under separate commanders and separate rules and reacting independently of each other —would be folly.

Deterrence. The intrinsic military capabilities of the U.S. forces in Korea are one thing. Their political utility is quite another. That air/ground aggregation is, to North and South Korea alike, the guarantee of the U.S. commitment to the continued security of the peninsula, and, to the other world powers, proof positive of the U.S. determination to exercise major influence in shaping the evolution of East Asia.

North Korea must view the U.S. forces from two perspectives. First, as noted earlier, the war-fighting capabilities of the U.S. air and ground units go a long way towards redressing the North-South military imbalance. Second—and more important in the calculus—those forces are but the leading edge of the U.S. military establishment. So long as Kim Il Sung remains convinced that an attack on South Korea will bring into play both the deployed and the offshore U.S. military power, it is most likely that he will be deterred from military adventure. It is essential that the North Korean perception not change.

The Second Division, poised astride the approaches to Seoul, enforces that perception. It is a major combat formation. The North Korean armies could not reach Seoul without first moving it aside, and to do so would be tantamount to engaging the immense military power of the United States. Thus, the U.S. soldier on the ground has a deterrent value that cannot be duplicated by air or naval elements. Encamped between the demilitarized zone and any logical military objectives, he constitutes the real earnest of U.S. investment in deterrence. His role in the prevention of war cannot be transferred to U.S. air units based well south of Seoul nor, even less, to carrier task groups off the Korean coast. In a blitzkrieg attack, North Korea would most likely ignore them, for the prudential rule —the inherent right of self-defense—is well understood in Pyongyang. Moreover, the North Korean high command appreciates that with air units out of "harm's way," it would take a deliberate, agonizing U.S. national decision to commit them to battle.

This illuminates, in striking fashion, the limits on force substitutability in peace and in war. The South Korean Army has sufficient divisions to hold the ground. If war should come, what would be required of the United States is the prompt dispatch of air and naval forces and the application of their potent fighting capabilities to help turn the tide of battle. The infantry

[14] There have been recent indications, however, that faced with a significant upgrading of the perceived readiness of Warsaw Pact forces, NATO authorities are reexamining the problem of gearing the command structure in peacetime for wartime operations.

battalions of the Second Division are not now needed to hold any segment of the forward defensive positions; and, in due course, the great bulk of the division's very important weapons systems could be replaced by similar systems entering the inventory of the South Korean Army. Conversely, in the prevention of war, the Second Division performs a unique, nontransferable function. No additional South Korean division —or even four or five more such divisions— could assume the political and psychological components of its mission which, stated boldly, lays the U.S. commitment on the line. A senior South Korean Air Force general put it succinctly: "Two thousand aircraft *might* compensate for the withdrawal of the Second Division."

The Panmunjom incident of August 1976 illustrates two related points. First—and contrary to what many think—the two splendid American officers (Major Bonaifas and First Lieutenant Barrett) who were brutally murdered were not members of the Second Division. They were assigned to the small UN Command complement which carries out military armistice duties—duties which must continue irrespective of the presence or absence of U.S. ground forces. Second, it was the immediate availability of the Second Division that enabled the United States to react with dispatch and with restraint to reassert its rights, redeem its honor, and, in the end, strengthen deterrence. The sight of Second Division troops—those in the van armed only with chain saws and clubs—was enough to make the North Korean Army stand aside.

It is sometimes argued that the forward deployment of the Second Division guarantees automatic involvement in another land war in Asia. That premise is entirely wrong. Should another war erupt in Korea, the United States *will* be militarily involved, irrespective of the configuration of its force deployments at the time. United States responsibility for the armistice agreement, the Mutual Defense Treaty, the stakes at issue, and international credibility all assure that. But there is even a more important point. Given the virtually unimaginable consequences of such a war, our single-minded emphasis must be on deterrence. As my successor, General John Vessey, has so aptly stated, "The cost of one day of war in blood and resources could equate to fifty years of deterrence."[15] I maintain that the Second Division, as currently deployed, guarantees that neither the United States nor the Republic of Korea—nor indeed Japan—will be involved in another war on the Asian mainland. To be sure, the soldier's profession involves an element of risk. But the greater risk, by many orders of magnitude, is another war on the Korean peninsula precipitated by a North Korean miscalculation of U.S. intentions.

Assurance and Arms Control. Notwithstanding the extraordinary efforts of North Korea to achieve military dominance, a general equilibrium of forces has been maintained on the peninsula. One side of that equation consists of the South Korean armed forces, the deployed U.S. forces, and the offshore U.S. military power. By reason of confidence in the U.S. actual and potential contribution to defense, South Korea has not felt constrained to match every North Korean capability, to build a strongly offensive air force, or to invest heavily in exotic high-technology systems. As noted earlier, that confidence has allowed South Korea to carry out a comprehensive, balanced program of industrialization and economic development. Moreover, that same confidence has led it to develop, attitudinally and physically, a defense concept which would ensure the safety of Seoul. That concept is utterly sound, both politically and militarily, but it requires the immediate generation and orchestration of maximum combat power. A withdrawal of U.S. ground forces will surely lead South Korea to modify its assumptions on the timing and scope of U.S. assistance. South Korea cannot and will not alter its defensive concept, but all else will change. The force improvement program would be adjudged wholly inadequate. South Korea would, in all probability, move to a wartime economy, modifying drastically not only its economic and in-

[15] "Military Requirements in South Korea," unpublished statement by General John W. Vessey, Jr., commander in chief, United Nations Command, Seoul, Korea, February 22, 1977.

dustrial programs but its social and educational ones as well. Development plans would be completed, exports would drop, foreign capital would be increasingly difficult to attain and then only at exorbitant rates, unemployment and inflation would soar, and schisms would be likely to appear in the body politic. Furthermore, South Korea would probably embark on a full-scale program to develop both a nuclear-weapons capability and long-range missiles. Overall, there would be lessened stability and heightened tensions in the entire East Asia region and, essentially, an unbridled arms race on the Korean peninsula itself.

Paradoxically, then, a solid U.S. military presence in Korea is an arms-control measure. That presence stays the North Koreans, promotes political and economic stability, helps keep tensions in the area within bounds, establishes a logical upper threshold for South Korean force development, and, most importantly, provides a disincentive for South Korean entry into the nuclear club.

Longer-term Leverage. While no political solution to the Korean question is feasible without great power concurrence, it is also axiomatic that the two Korean states must first find common ground. So long as North Korea adheres to its all-or-nothing policy, the prospects of achieving any *modus vivendi* are very dim. But time *should* be on the side of South Korea. In terms by which national power is measured, South Korea is already twenty-sixth in rank among the 145 states in the international community, and it has its sights set much higher. Given confidence in the external shield (which is within our capability to assure) and internal political stability (for which the external shield is a precondition), South Korea will meet the objectives of the fourth five-year development plan—and then a fifth and a sixth. The disparity—which is great even now—between the respective strengths and dynamics of the economies, the lots of the individuals, and the vitality of social and educational programs will widen exponentially. At some point in time, therefore, Kim Il Sung or his successor may have to face up to the hard fact that South Korea is too strong and too cohesive to tackle by force of arms, and, in North Korea's own interest, accept the reality of two Koreas and prepare to negotiate a framework for coexistence. Although the odds are long, this could be the end result—and, unless there were other tasks to perform, the U.S. forces could then go home. One thing is certain: this will never come about if the U.S. component of the shield falters.

In the words of Sun Tzu, the noblest victory is to attain one's objective without bloodshed. This has been the essence of the U.S. forces' mission in Korea: by the very presence of their disciplined strength—sheathed but at the ready—to assist in establishing the preconditions for lasting peace on the peninsula. As such, those forces have constituted a bargaining chip of high value in a game for enormous stakes. With the game still in progress, it would be a tragedy to toss in the best hand.

In sum, the 40,000 troops in South Korea have a value all out of proportion to their number in maintaining an environment of assurance and deterrence on the peninsula. Their relevance, however, extends far beyond the boundaries of the Land of the Morning Calm. To restate the obvious, Korea cannot be viewed in isolation. As the latest Japanese Defense White Paper puts it, "Korean peace is prerequisite for the peace and security of all East Asian Nations."[16]

The Broader Context

The immense importance of Northeast Asia needs no underscoring.

- Economically, the forward momentum of the free nations of the region has been dramatic and sustained. Overall U.S. trade with the Pacific basin—most of it concentrated in Northeast Asia—exceeds that with Europe. Japan has become an industrial giant and America's principal overseas trading partner (the total U.S.-Japan trade exceeding U.S. trade with West Ger-

[16] Japan Defense Agency, *Defense of Japan* (1976), p. 2.

many and the United Kingdom combined). The dynamism and potential of the Japanese–South Korean–Taiwanese entrepreneurial sectors make the three-nation complex an increasingly key segment of the international free-trade market area and give meaning to the concept of trilateralism.

- Strategically, Northeast Asia is the locus of direct confrontation between the Soviet Union and the United States on a scale second only to Western Europe. The Soviet Union has assayed unrelentingly to extend its power southward to intimidate Japan, encircle China, and achieve dominance in East Asia. Conversely, the main United States objectives have been to maintain and strengthen the alliance with Japan and to block the Soviet Union's drive for hegemony. This latter determination provided a key motive for the growing rapprochement with Peking.

In retrospect, the free world has done very well in Northeast Asia over the past two decades. Much of that success must be attributed to the American military power projected to and maintained in the region. The Seventh Fleet, the Fifth Air Force, the III Marine Amphibious Force, and the Eighth Army—all backed by the strategic nuclear forces—have had important political as well as military roles. Their capabilities and the substance they have given to the collective security arrangements have assured a military equilibrium and stayed Soviet expansion. They have provided the blanket of security which has been the essential underpinning for the remarkable growth and vitality of the Northeast Asian free economies. Most notably, the long-term deployment of U.S. ground combat forces in Korea as a bulwark against renewed North Korean attack—unilateral or externally supported—has assured Asian allies of America's firm commitment to peace and stability in Northeast Asia.

Unhappily, the confrontation continues. There is no sign of abatement of the Soviet outward drive; in fact, its military capabilities in the region continue to augment. The North Korean posture is more menacing than at any time in the past. For ally and adversary alike, then, the central question is the continuing American resolve, which, because the United States is not present in Asia by reason of geography, is gauged by its military deployments in the area. Significant changes in those deployments will be perceived as a measure of the value that the United States attaches to what happens in this strategically important area, and what that entails for the major players concerned. Inevitably, attention will be focused on the forward-most of these deployments, the only ones on the Asia mainland—the U.S. forces in Korea.

Japan. Historically, Korea and the power extant thereon have always been critical factors in the Japanese security environment. However one interprets the hackneyed phrase, "a dagger pointed at the heart," the stark fact is that Korea has been the bridge to and from the Asian mainland, the path by which power has flowed into and out of Japan.

Modern-day Japan is particularly sensitive to the Korean situation. With a very modest self-defense establishment and a constitution which restrains the employment of its military forces, Japan has depended heavily on the U.S. security guarantee for the protection of the homeland and for the uninterrupted flow of seaborne commerce. Soviet military power based to the north and northwest of the Japanese islands is more than enough to be concerned about. Therefore, it is an essential that the Korean flank be secure. Though there have been minor variations (for domestic political reasons) in the wording of their statements, every Japanese prime minister from Sato onward has affirmed the inseparability of the security of Japan and Korea.[17] In Japanese eyes, the U.S. forces in Korea, especially the ground units and the array of nuclear delivery systems, are indispensable elements of the

[17] Most recently, for example, Prime Minister Fukuda said he told President Carter that the 40,000 U.S. ground forces in South Korea are considered both a barrier to attack from the Communist North and a shield for Japan and other democratic countries in Asia. (Reported in "No Precipitous Korea Pullout, Fukuda Is Told," Washington *Post*, March 28, 1977.

U.S. military umbrella covering Japan. Understandably, then, the Japanese government would expect to be consulted *prior* to any decision to reduce U.S. deployments in Korea materially. This expectation derives less from Japan's status as America's major ally in the Pacific basin than from the premise that the two parties should first reach a common appreciation of the threat and a common judgment that any such drawdowns will have no deleterious political or military effect. After all, Tokyo reasons, the U.S. forces in Korea are integral to the Japanese shield.

Any action seen as eroding the deterrent posture sends immediate alarms through Japan, for, given the vulnerability of the nation, the constitutional strictures against external deployments of armed forces, and the prevailing public sentiment, that nation is quite unprepared to cope with the consequences of war. The prospect of being involved, willy-nilly, in renewed hostilities in Korea is no less abhorrent than having to gear for defense of the homeland from direct attack. Japan has thus been motivated to help ensure effective deterrence on the peninsula by fueling the forward thrust of the South Korean economy,[18] by strong endorsement of South Korea in international forums and by granting base rights which have, *inter alia*, facilitated the support of the U.S. and UN Command forces in South Korea. Within the framework of deterrence and the limitations imposed by the constitution and the domestic political balance, Japan has the potential to do even more, economically and militarily, to complement U.S. and South Korean efforts. It can, for example, assume responsibility for a larger share of the regional naval and air tasks. But for a greater degree of "complementarity" to eventuate, there must be confidence that the United States will continue to make its unique and essential contributions to the overall deterrent structure. In the Japanese calculus, the U.S. ground forces in South Korea meet those criteria exactly for the following reasons:

- They give requisite depth to the external defense of Japan and attest to the viability of the U.S. security commitment.
- They virtually guarantee that there will be no renewal of armed aggression on the Korean peninsula.
- They assure, therefore, that an explicit decision on use of Japanese bases for support of U.S. and UN Command forces in war will not be required. (The Japanese government well knows that the wartime availability of these bases is an article of faith in U.S./Japan relations; yet to honor the commitment is to involve Japan directly in the conflict.)
- They greatly reduce the likelihood that the base rights question will become a subject of major political debate and controversy.
- Overall, they provide evidence that the basic tenet of Japanese foreign policy—political / economic / military partnership with the United States—has been well conceived and holds the brightest promise for Japan's orderly evolution as a world power.

It follows that the withdrawal of U.S. ground forces—and most particularly the Second Division—would occasion major review of Japanese domestic and foreign policy. Reasoning from the logical premise that the United States was more interested in reducing its investment and risks than in the efficacy of peninsular and regional deterrence, an equally logical conclusion would be that the United States commitments to Japan were in question. Its confidence in the U.S. shield dissipated, Japan would have to chart a new course. One extreme policy alternative would be major expansion of its military capabilities to include development of a Japanese *force de frappe*—sounding the death knell on U.S. efforts to control nuclear proliferation. At the other extreme would be an accommodation with the Soviet Union. Even if one assesses as low the probability that Japan would opt for either extreme, the very fact that circumstances dictated their serious consideration is

[18] Through a program of reparations, loans, and private investments leading to commercial interests, Japan has played a major role in the economic development of South Korea. At present, South Korea's largest export market behind the United States is Japan, or viewed from Japan's vantage, South Korea ranks sixth in imports to Japan. In turn, 40 percent of all imports to South Korea derive from Japan.

perilous for stability and progress in Northeast Asia. And whatever Japan's reordered course, one concomitant will be considerably less cooperation with the United States in solving the large economic problems now confronting not only the Western free market area but most of the remainder of the world as well.

The View from Moscow and Peking. The U.S. combat forces in South Korea must loom large in Soviet analyses:

- From the perspective of its military planners, that air/ground team of not inconsiderable capability—a reinforced division, powerful air squadrons, and versatile nuclear delivery means—is positioned only a few hundred miles from vital Soviet installations, closer to the homeland than any other U.S. combat formation. So long as it remains in South Korea, that force will affect Soviet calculations of the course and outcomes of military initiatives, whether along the Sino-Soviet border or in Central Europe. In the latter instance, the Soviets must face the nightmarish prospect of two fronts, 4,000 miles apart.
- In the context of its objective of obtaining hegemonial influence in East Asia, a Korea unified under Soviet style communism would be an even more important advance now than in 1950, when success was but a whisker away. Control of the southern half of the peninsula would extend the reach of the Soviet Far Eastern fleet, bring enormous pressure to bear on Japan, and impel a major policy reassessment in Peking. With 40,000 U.S. troops in South Korea, none of that can occur except by force of arms, and another war on the peninsula embodies too many risks of escalation to be contemplated as a Soviet option.

There is a countervailing consideration. The Soviets must be concerned with North Korea's continued belligerence and provocations and its growing capability to undertake independent military action. Should North Korea, on its own, resort to force to exploit U.S. troop withdrawal, the Soviet Union could be drawn in against its will—at the minimum, to balance Chinese support, and, at the maximum, to ensure North Korean survival as a Communist state if things went awry. Consequently, the Soviet view on U.S. troop presence is probably ambivalent. On the one hand, the withdrawal of U.S. ground forces from South Korea would further Soviet strategy. But the Soviets are geared for a long struggle in Asia, reckon time to be on their side, and prefer to win without war. Thus, the timing of a U.S. withdrawal is secondary to the consideration that the vacuum created not occasion a degree of destability beyond the Soviet ability to manage.

The People's Republic of China has underscored through diplomatic and unofficial channels that a strong U.S. military presence in Asia (except on Taiwan) is a key assumption in its national security policy. What is a thorn for the Soviet Union is a rose for China—except in one particular. The Communist archenemies have common concern over the growing military capability of North Korea, the limited influence they exercise on Kim Il Sung's decisions, and the implications of any North Korean resort to force of arms.

Confronting 25 percent of the Red Army along the extensive Sino-Soviet border, China considers it essential that the Korean flank remain stable and secure. Consequently, although China must perforce provide official political support for Pyongyang on the U.S. troop withdrawal issue, China has a special interest that those forces in fact remain. Moreover, in Peking's eyes, those forces have added values, actual and symbolic. The U.S. air/ground team serves the Chinese interest in the same way that the NATO military machine in Europe does. Further, its presence in Korea inhibits Soviet expansion and facilitates Sino-Japanese relations.

China could draw but one conclusion from a U.S. decision to withdraw upwards of 30,000 troops from Korea at this juncture: namely, that all assertions to the contrary notwithstanding, the United States no longer intended to exercise major influence on the evolution of East Asia,

no longer was dedicated to opposing the extension of Soviet influence in the Asian nations on the periphery of China. The recent moves toward normalization of U.S.-Sino relations have proceeded from a wholly different premise. No less than in Japan, China's confidence in the dependability and staying power of the United States would erode.

World Perceptions. The American soldier in Korea—deployed on a critical frontier where the issues are still unsettled—is thus woven into a complex matrix formed by the interactions of the major powers that compete in Northeast Asia. Moreover, what happens to that soldier is of great moment to the entire international community, for it will be construed as a harbinger of future U.S. policy. Two guideposts will shape evaluations.

Immediately following the collapse of the Indochina states, strong U.S. administration statements reaffirmed that Vietnam was an aberration and that the United States would remain a Pacific power, steadfast to its commitments. For our Asian allies, the U.S. force posture in Korea has been the earnest of those statements. What conclusions will these allies draw from a withdrawal of ground forces except that the United States wants to avoid entanglement in a possible conflict? And how does that correlate with the U.S. commitment to come to the defense of the countries with which it is linked by mutual security treaties?

In recent years, the world has been witness to the sustained drive of the Soviet Union to achieve ascendancy over the United States. Soviet efforts have led to notable successes in many areas; and the general estimate is that the balance of power has begun to tilt in its direction. But Soviet gains have been nil in the two key regions where forward deployed American arms have been linked with the military forces and the national will of allies. One of these areas is Northeast Asia. Our actions there—to stay or to retrograde—will be carefully weighed around the world and will profoundly influence the judgment on whether the United States is gradually retreating from its world power responsibilities or intends to stand fast against Soviet imperialism.

Conclusion

To sum up, there is compelling rationale for the continued deployment of U.S. combat ground forces on the Korean peninsula. They are key to the security and wellbeing of 36 million human beings and to the protection of U.S. interests, in the face of a very real and growing threat; Kim Il Sung's unflagging efforts to force their removal attest to that. Their presence provides the only lever that might force the North to accept the reality of two Korean states, a precondition for amelioration of tensions. They are valuable—indeed essential—assets in furthering our major objectives in Northeast Asia: strengthening the partnership with Japan; minimizing the Soviet presence; improving relations with the People's Republic of China; sustaining the region's economic momentum; fostering a climate in which the kind of democratic institutions we espouse can take root; and preventing nuclear proliferation. This last role—arms control—merits underscoring. Finally, that band of 30,000 is the symbol that the United States is no less concerned with the future of the free societies of Northeast Asia than those of the Atlantic Community.

I submit that these enormous returns on a modest investment of men and resources accrue precisely because that investment manifests the staying power of the United States. It follows that alteration of the fundamental character of that investment, the disengagement of the American soldier from ongoing tasks, entails the gravest of risks, not only on the peninsula but also in Northeast Asia and far beyond. Not the least of these risks would be the greatly increased likelihood of conflict in which the United States would be immediately and deeply involved.

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Dale R. Tahtinen is the assistant director of foreign and defense policy studies at the American Enterprise Institute. Among his works published by AEI are *Implications of the 1976 Arab-Israeli Military Status* and *Nuclear Threat in the Middle East,* both with Robert J. Pranger, and *Arms in the Persian Gulf* and *The Arab-Israeli Military Balance since October 1973.* John Lenczowski, a doctoral candidate at the Johns Hopkins School for Advanced International Studies, is a research assistant at AEI.

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Elmer Plischke is professor of government and politics at the University of Maryland. He has written *Conduct of American Diplomacy* (the third edition, 1967), *Summit Diplomacy: Personal Diplomacy of the President of the United States* (1958), *Systems of Integrating the International Community* (1964), *Foreign Relations Decisionmaking: Options Analysis* (1973), and *United States Diplomats and Their Missions* (AEI, 1975).

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Washington, D.C.

WASHINGTON POST
AND TIMES HERALD
AUG 23 1964

Barry's Men Pack Tax-Free Institute

By Laurence Stern
Staff Reporter

When conservative idea man Karl Hess decided to go to work as a ghost writer for Sen. Barry M. Goldwater early last spring, he had become restless with what he now describes as life in an "ivory tower."

The ivory tower of Karl Hess was the 15th-floor office suite of the American Enterprise Institute for Public Policy Research, a tax-exempt institution that professes to be dedicated to maintaining "free, competitive enterprise" through dispassionate scholarship.

"I could not work for the Institute," Hess said in an interview, "and also work for a highly charged partisan outfit like the Goldwater organization."

Advisers in Common

Nonetheless a peek under the Institute's ivory tower reveals a roster of advisers and trustees that is heavily suffused with Goldwater brain-trusters. Although the Institute has yielded Hess to the Republican nominee's campaign staff, it still shares in common with Sen. Goldwater these Advisory Board members:

• Karl Brandt, German-born economist who is director of the Food Research Institute at Stanford University. A member of President Eisenhower's Council of Economic Advisers from 1958 to 1960, he is a critic of rigid price supports at home and agrarian reform policies abroad.

• Milton Friedman, widely respected professor of economics at the University of Chicago, a devout *laissez faire* theorist who, unlike Sen. Goldwater, believes in free trade and a flexible currency exchange but would abolish public education and permit private [illegible] ment.

KARL HESS
. . . a partisan

WILLIAM J. BARODY
. . . a friend

• Gottfried Haberler, a conservative economist at Harvard who served as a member of the National Association of Manufacturers' Center for the Study of Union Power and has had several studies published by the Institute.

• The Rev. Stanley J. Parry, head of the political science department at Notre Dame, who describes himself as a conservative and who was among groups of Goldwater academic advisers that met with the Senator during the Republican National Convention and again in Washington last week.

Baroody Is Director

The Institute also numbers among its trustees such non-academic Goldwater stalwarts as Peter O'Donnell, chairman of the Draft Goldwater organization, and J. William Middendorf II, who will be in charge of finances for the GOP during the Goldwater-Miller campaign.

The day-today operations of the Institute are under the direction of William J. Baroody, its $35,000-a-year president. Baroody, like Hess, is a friend and admirer of Sen. Goldwater. The difference is that Baroody seems content with life in the ivory tower.

"Senator Goldwater and I have been friendly for a long time. He goes to my daughters' weddings and I go to his daughters' weddings," explained Baroody, a quietly amiable man. "We're interested in much the same things."

During the Republican convention last July, Baroody stayed at the Mark Hopkins Hotel with the Goldwater party. But he emphasized that he was there only as an observer and as a friend of the Senator. "I was on annual leave," said Baroody.

Continued