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The Defense Sector and the American Economy

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"humane, fraternal and equalitarian society" is commendable; however, their means are confusing and contradictory. They would like the United States to assume the responsibility for achieving a new millennium, but are suspect of her use of power, her motivations, and her interpretation of the national interest. They are against power blocs, but wouldn't mind United State collusion with the Soviet Union to maintain world order. They desire modernization in the underdeveloped world, but conclude that democracies would be too soft to achieve it; only communism could accomplish this mission. Pessimistic emotionalism substitutes for analytical thought in too many of the articles.

The reviewer's conclusions are that many of the signposts are really "detour" signs and that the left still lacks a consistent point of view in the field of foreign affairs. The more thought-provoking articles are those by Arnold S. Kaufman, William Pfaff, Henry M. Pachter, Gunnar Myrdal, Benjamin Schwartz, and George Lichteim.

R.A. BEAULIEU
Commander, U.S. Navy

Javits, Jacob K., et al. *The Defense Sector and the American Economy*. New York: New York University Press, 1968. 100p.

This small book is based on three "Moskowitz" lectures sponsored by the School of Commerce of New York University to discuss various aspects of President Eisenhower's farewell message to the nation in which he warned of the danger to liberty of the twin threats of the "military-industrial complex" and the "scientific-technological elite." The three lecturers are Jacob Javits, Charles J. Hitch, and Arthur F. Burns.

Senator Javits of New York refers to the decision to create a small antiballistic missile defense against a potential Red Chinese nuclear threat to illustrate the fact that more public discussion is

needed before commitment to the decision of the "scientific-technological" elite. He also is concerned over the "narrow world of defense contractor lobbyists." It is the contention of the Senator that important national policy should not be made by a small group of special interests. Mr. Hitch agrees that the fears of President Eisenhower were reasonable, but he feels that the danger is exaggerated because many limitations constrain the military-industrial complex. Furthermore, the impact of the defense sector on the economy is hard to trace because of the paucity of detailed statistical material. Nevertheless, he tries to trace the major current impacts by industry, by business firm, by region, and by occupation. He also points out that defense spending greatly influences the conduct of research and development because it furnishes the largest source of funds in the United States. While some spillover from defense research can be expected, it does tie up large numbers of our best brains and large amounts of our best scientific research equipment. Mr. Hitch is not very concerned by the effects of a reasonable cutback in defense spending and he does not feel that "social cost" criteria can be applied to procurement by the defense sector. He favors specific, direct, and identified programs to help distressed regions rather than the distribution of defense contracts as the best public policy. Dr. Burns also is not worried about a conspiracy of the military-industrial complex but does see a number of important economic, social, and political impacts of the defense sector. In his opinion the very size of the defense budget could revolutionize financial problems of the American economy. Also he properly indicates that the vast size of the defense economy draws to itself economic resources that could be profitably employed in such areas as education, urban renewal, and conservation. Finally, he shows that defense emphasizes science, mathe-

matics, and foreign languages at the expense of the humanities and the social sciences and philosophy. This happens in a cloak of secrecy that tends to inhibit criticism of the Government by university administrators and professors who are benefiting from research grants.

From the political side, the vast military budgets and the methods of allocating funds to areas rather than to efficient producers could be a method of influencing votes and concentrating and perpetuating power. This use of defense expenditures for other than national security purposes is probably more a potential danger than a present one, but nevertheless a real threat to freedom and development. These three lectures well handle the problem raised by President Eisenhower and are worth reading.

P.L. GAMBLE
Chair of Economics

Mansfield, Edwin, ed. *Defense, Science, and Public Policy*. New York: Norton, 1969. 224p.

For the Year 1967, national defense expenditures represented about 60 percent of the Federal administrative budget, while defense and space programs utilized a major share of the scientific and engineering talent in the United States. These factors are not expected to change greatly even if a successful conclusion to the Vietnam war is achieved. The effect of these conditions on the economy of the nation is the subject of this collection of articles and speeches. The selections are grouped in four parts, the first two parts relating to the impact of defense spending on the national economy and the decision-making process in the Department of Defense, and the latter two discussing military research and development and the relationship of basic research to civilian technology and the public policy.

Through a judicious choice of articles presenting many and varying viewpoints

on interrelated defense and science problems (in some cases strongly differing opinions in successive articles), the editor has given the reader an opportunity to consider many aspects of defense problems that are not readily apparent even to one seriously interested in these issues. The military reader, in particular, will gain an appreciation of some of the nonmilitary problems defense spending engenders and the relationship of the scientific community to military research. For those interested in a side-by-side comparison of the pros and cons of cost-effectiveness, Hanson Baldwin's attack on this procurement policy and Charles Hitch's defense of the technique are included. This book is recommended for anyone interested in, or concerned about, the effects of large defense budgets and government monopoly of scientific talent.

D.J. KERSHAW
Commander, U.S. Navy

Osgood, Robert E. *Alliances and American Foreign Policy*. Baltimore: Johns Hopkins Press, 1968. 171p.

After having closed the cover, the reader is left somewhat exhausted and with the impression of having read two different books. At the outset the author does a creditable job of describing in general terms the alliance systems in the world today and explaining how and why they were developed. He defines and explains alliances, carefully distinguishing them from collective security agreements, and presents an excellent discussion in basic terms of the nature of the various types of alliances and other international relationships which are equivalent to alliances. Following a review of the development of American alliance policy, beginning with the Truman Doctrine, the author presents a detailed examination of alliances, past and present, throughout the world. It is here that the reader finds himself in another book;