

Ideas: A New Defense Industry

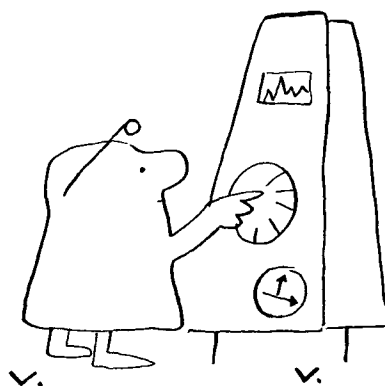
EDWARD L. KATZENBACH, JR.

LIKE the second cup of coffee, advice is no longer free. We live in the age of the specialist, and just as tooting one's own horn is now contracted out to a public-relations firm and one's anxieties to a psychoanalyst, so all kinds of technical problems and even questions of high policy are more and more frequently being handed over to outside authorities for study and advice.

Surveys, research reports, and evaluative studies are constantly being commissioned by private business corporations and all levels of government. The Federal government, having the most problems and the most money, is by far the greatest consumer of such advice, and the Department of Defense, which spends nearly half of the Federal budget, consumes much more than all the other departments of government combined. As both the development and the use of weapons have become increasingly intricate and costly, scientific and engineering analysts have become indispensable to the Defense Department. And as technology has increasingly affected all phases of military policy, specialists from other disciplines have inevitably been drawn into the business of providing both research and advice.

In general, the government has followed two courses in purchasing advice. In many cases, it relies on the scientific and technical labora-

tories of universities and private industry. But the government has also established its own corporations independent of the civil service. This second development emphasizes the fact that contracted advice has become a new instrument of government in our time.



MANY OF THESE subsidized government corporations originated in the universities and certain defense industries. Thus Johns Hopkins sponsored the Applied Physics Laboratory for the Navy and the Operations Research Office for the Army. The Massachusetts Institute of Technology established the Operations Evaluation Group for the Navy, the Lincoln Laboratories for all the services, and the MITRE Corporation for the Air Force. A number of universities banded together in

1956 to establish the Institute for Defense Analysis (IDA), a holding corporation with several branches which advise not only the Defense Department but other departments and agencies of government as well. Other government subsidiaries were originally created by private industry. The RAND Corporation (Research and Development), which advises the Air Force, was in its early days a part of the Douglas Aircraft Company, Inc.; another Air Force outfit, the Aerospace Corporation, got its start in the Space Technology Laboratories, a subsidiary of Thompson Ramo Wooldridge.

These corporations perform a wide variety of services. Some work primarily on a single weapon or electronic system, others on a combination of related systems. MITRE (M.I.T. RAND Engineers), facetiously referred to as "M.I.T. Rejected Engineers," works on complex Air Force electronic systems under the direction of the Command and Control Development Division of the Air Research and Development Command. MITRE now has several buildings in Bedford, Massachusetts, a branch at Colorado Springs, and numerous special field sites. Its employees, mostly engineers with a sprinkling of scientists, work on the complicated job of design and integration of electronic systems (notably SAGE) in such fields as air

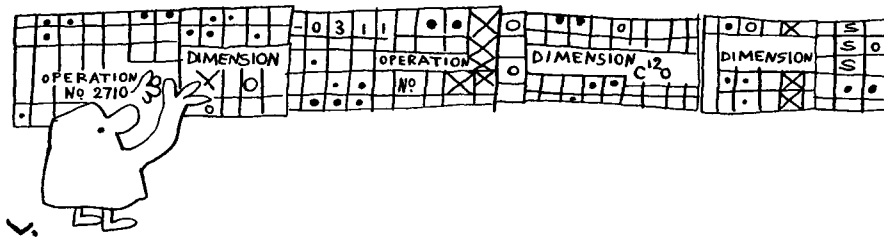
defense, strategic warfare, and tactical air operations. Aerospace, located in Los Angeles, does research-and-development work for the Air Force Ballistic Missile Division and is cur-

by the Department of Defense to keep them from doing so. They are also free to take sabbaticals to universities across the land, and occasionally to work on studies for insti-

in no time had aroused a lively and possibly useful controversy. Its views, however, were apparently not popular with those higher up. Within a few weeks, editors around the country received a letter from a senior analyst in the math division of RAND disavowing the book on behalf of the corporation and denouncing the "troglodytic, apocalyptic visions of Kahn."

Such are the occupational hazards of the business. The problem analyst is threatened by confinement and frustration on one hand and on the other by enthusiastic acceptance so long as he comes up with answers that please his superiors. In between, of course, he often succeeds in doing useful and even brilliant work.

THE NAVY'S Operations Evaluation Group (OEG) operates quite differently from RAND. Its members work in the heart of the Pentagon in a sealed-off section with a guard at the entrance. The oldest of the problem-analysis organizations, it is also one of the smallest. Its fifty-odd experts rarely publish except within the Navy, and never talk out-



rently helping to develop weapons to be based in space.

Since nearly all of the new strategic weapons obviously have an important bearing on over-all defense policy, the advisory corporations also undertake occasional studies of international security problems. Both the Institute for Defense Analysis in Washington and M.I.T. have received contracts for studies in the field of disarmament.

RAND, OEG, and WSEG

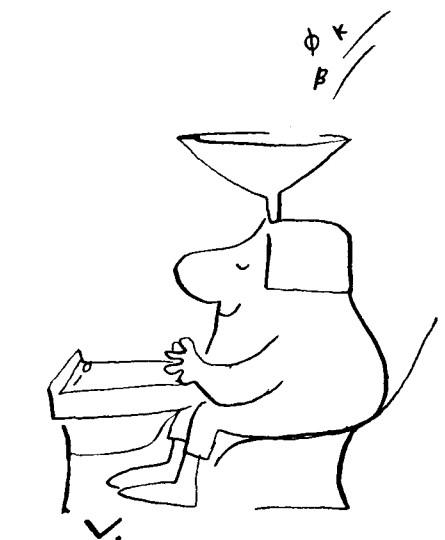
Probably the three most important corporations the government has set up to provide expert assistance and advice are the RAND Corporation, which does most of its work for the Air Force; the Operations Evaluation Group (OEG), which is supported by the Navy; and the Weapons Systems Evaluation Group (WSEG), whose staff is drawn from the Institute for Defense Analysis and which works for both the Joint Chiefs of Staff and the Assistant Secretary of Defense for Research, Development and Engineering.

RAND was founded in 1946 at Santa Monica, California. There is a staff of 850 at its beach-front headquarters, and about 550 of these are sufficiently involved in intellectual problems to qualify for blackboards in their offices, a professional status symbol of the new industry. RAND boasts that it issues a publication a day, that its members sit on some seventy government committees, and that its annual budget amounts to \$13.5 million.

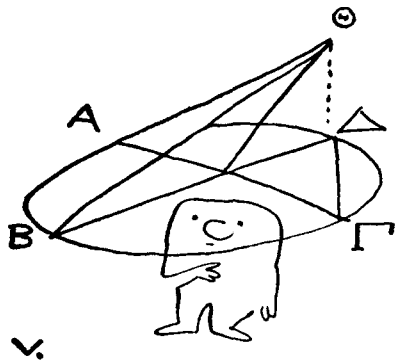
RAND differs from OEG and WSEG in several important respects. First of all, its employees publish and talk in public—despite strenuous and sometimes successful efforts

tutions other than the Air Force. Such studies have included an analysis of the economics of space flight for the National Aeronautics and Space Administration, another on water resources for the state of California, and one on urban transportation for the Ford Foundation. While the extent of this "outside" work should not be exaggerated (it produces some twenty per cent of RAND's revenues), it does bring the corporation a good deal of prestige which contributes in some measure to its influence on military matters.

RAND's members work on a wide variety of topics, ranging from military strategy and tactics to disarmament, political analysis, and economics. The basic contract under which RAND operates specifies that it is not under any obligation to do studies for the Air Force that for one reason or another it does not consider worthwhile. Yet in some respects its independence and influence are more apparent than real. RAND, it has been said, is rather like a "celibate mistress" to the Air Force, kept but ignored. Many of its individual employees resent the fact that their military bosses do not always listen to advice as closely as they might—a failure of attention that is apt to occur when the advice does not conform to Air Force thinking. But seeking an audience elsewhere, especially in public print, is apt to invite reproof. Take, for instance, the case of Herman Kahn, one of RAND's prominent analysts, who saw fit to write a book while on a sabbatical at Princeton University. Entitled *On Thermonuclear War*, the book was widely reviewed, and



side it. While RAND maintains that much of its influence rests on its reputation outside the Air Force, OEG officials feel that their power lies in their anonymity and service loyalty. The subjects they work on are similar to those studied at RAND, but more specifically related to the plans of the Navy. The organization has never done outside work, and it never undertakes the sort of political studies for which RAND has become known.



Like OEG, the Weapons Systems Evaluation Group (WSEG) operates at the very heart of Pentagon secrecy. Originally created as an ordinary civil-service agency by the first Secretary of Defense, James Forrestal, WSEG has since been joined to the Institute for Defense Analysis as a more or less independent government-subsidized organization. The regular services look upon WSEG with some annoyance, since it is almost always in a position to second-guess them. For example, WSEG may consider a proposal for increasing the airlift for limited-war operations that the Army has long and passionately advocated. Or it may review the technological requirements for a counterforce strategy aimed at knocking out an enemy's weapons, which is current Air Force doctrine, in comparison with those for a counterpopulation strategy aimed at wiping out enemy cities, as advocated by the Navy; such a study would certainly involve an evaluation of the two latest weapon systems—the recently tested Minuteman and the Polaris now in service—on which the two services respectively base much of their arguments over these competing strategies.

Because of WSEG's sensitive position in the uneasy tangle of inter-service rivalry, the Joint Chiefs have at times been loath to use it as freely and as often as the high quality of its personnel would seem to warrant. Not only do WSEG studies sometimes shy away from the central problems of military security, but those which it does produce do not always reach the people who could make best use of them. The Joint Chiefs, for example, have sometimes been known to withhold WSEG studies from the State Department, although the information was of the utmost impor-

tance in the formulation of foreign policy. When asked how he has used WSEG, one chairman of the Joint Chiefs said bluntly: "To prove to the others [members of the Joint Chiefs of Staff] that something I already know to be so is so."

Have Computer, Will Advise

Apart from the wholly owned subsidiaries, the government also supports various private problem-analysis organizations, sometimes providing revenues of up to seventy-five per cent of their total incomes. Furthermore, almost all major defense contractors now have their own problem-analysis shops. Some of these, such as those at Douglas and Boeing, are located right in the plant. Other companies set up their analysts on what they like to call "campuses." General Electric has its campus in a former hotel in Santa Barbara, while Lockheed's is to be found at Bedminster in the commuter country of northern New Jersey.

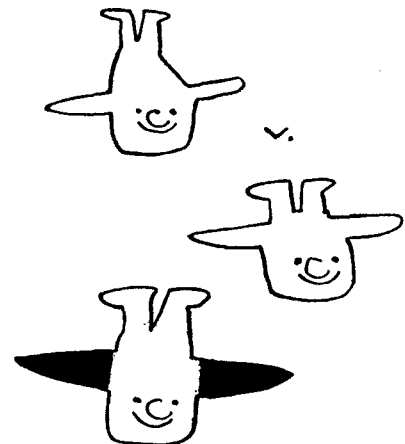
Other private analysis factories are scattered about, or near, real college campuses. The Stanford Research Institute, for instance, has expanded since 1946 from a staff of three, housed in two rooms, to a staff of some two thousand who now do a \$25-million business in a new million-dollar building just off the Stanford University campus. A much smaller organization, Operations & Policy Research, Inc., of Washington, D.C., contracts out to part-time consultants most of the contracts it receives from the government. Founded in 1955, OPR maintains a very small staff but has more than a hundred consultants on tap in forty different academic fields, including theology, although primarily in the social sciences.

Most of the companies in the private sector of the new and booming advice industry tend to supplement a small permanent staff with part-time consultants. Take United Research Incorporated of Cambridge, Massachusetts. Founded within the Harvard Business School in 1947, U.R. became a profit organization in 1958; it has roughly a hundred on its staff, but some forty professors, mostly from Harvard and M.I.T., are on tap as paid consultants.

The job of the analyst in private

industry, usually in an electronics or aircraft company, differs in one important respect from that of his counterparts in the government-subsidized corporations. He is often called upon to explain not only how the government might use a certain kind of product but why it should buy the product from a specific company. To do this, he must, of necessity, try to "sell" a policy in which his company's product may be integrated. To this end, it is usually the company analyst, not the commercial salesman, who sets up "briefings" in the offices of the Pentagon. He will then, for example, not only tell the government how a B-70 can be built but why it is in the interests of our national strategy to have a force of B-70 bombers on call. Boeing has gone one step further and actually has a company handout, prepared by its analysts, which gives Boeing's concept of the best balance of weapons for our national military establishment.

All this, of course, is only to be expected in an age of rapid technological change. Any new weapon system is likely to raise more problems than it solves. And the analyst



is expected to deal with all of them. In addition to his functions as pitchman and foreign-policy adviser, he must also act as a kind of walkie-talkie between the command posts in the Pentagon, where the final decisions on strategy are made, and the company's engineering and designing offices, where the chief concern is with the manufacture of specific products.

A number of advisory organizations manufacture reports and

reports alone. Among their clients are the National Aeronautics and Space Administration, the Atomic Energy Commission, the International Cooperation Administration, the Federal Aviation Agency, the Commerce Department, and a host of other government agencies. Even Congress, an organization that has hitherto been prone to think of itself as having adequate intellectual resources of its own, has been buying outside advice.

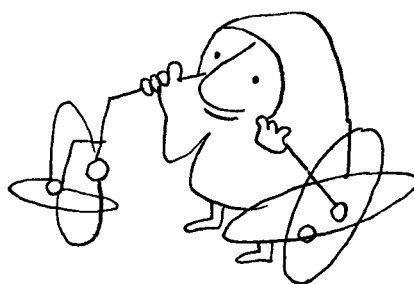
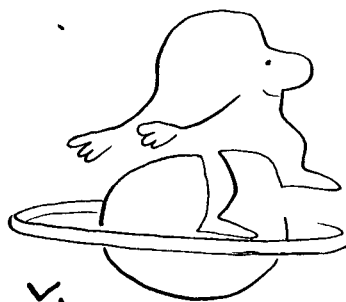
Two years ago, the Senate Foreign Relations Committee ordered several studies, including one that may well prove to be an important working document for the new administration. The contract was let to the

indecision. He described in detail the way in which the hesitant decision maker can be brought to sign a contract by the promise that a fat and learned document prepared by an advisory group will give him not only sanction to follow a given line of policy but a stout defense should the policy later come under attack. In this sense, policy analysts play on the same kind of fear and expectation that insurance salesmen do.

As a weapon in the great bureaucratic wars in Washington—the constant engagements, say, between the Department of Defense and the Bureau of the Budget, or between the Executive and the Legislative Branches—policy analysis is frequent-

But to tell the truth, I think it is more than that. State doesn't believe in contingency planning like the military, and where there is no planning there can be no study contracts."

His conclusion is certainly dubious, but there is no doubt that in its quiet but stubborn competition with the Pentagon, the State Department has found reasons to be somewhat wary of contracted advice. The Pentagon's research studies are obviously intended, at least in part, to buttress its claims to an increasing share in the making of policy. The Defense Department, it should be noted, has new contracts for disarmament studies by M.I.T., the Institute for Defense Analysis, and RAND.



Washington Center of Foreign Policy Research, a subsidiary of Johns Hopkins in Baltimore, and resulted in a sizable work entitled *Developments in Military Technology and Their Influence on U.S. Strategy and Policy*. One of the principal authors was Paul H. Nitze, former head of the Policy Planning staff in the State Department, who has recently been appointed Assistant Secretary of Defense for International Security Affairs.

The Uses and Abuses of Analysis

Even the RAND Corporation would have difficulty producing an accurate evaluation of the total effect on our government of the vast output of contracted advice. It is, however, abundantly clear that contracted advice and information are not always used simply to gain intellectual perspective. Problem analysis may be used as a means with which to gain power, or it may provide the sand into which the reluctant decision maker can stick his head. The president of one of the better-known private advisory agencies once said flatly that he lived on government

ly used by a subordinate to go over a superior's head. It is increasingly being used for the aerial passes and long end runs that get around entire echelons and departments. One policy position, initiated within a government department, was finally sent out for editing and the appropriate imprimatur to a private analysis group simply to ensure its being read further up in the hierarchy. The cost was a thousand dollars a page, but the man who let the contract was content: the maneuver had actually saved the government many times that sum, he claimed, simply because it got the study read.

THE GREATEST resistance to the practice of farming out thinking, it is generally agreed, is to be found in the State Department. One problem-analysis salesman has described his efforts to sell a study to the toughest market in Washington, the State Department's Policy Planning Staff. "They say they can get practically all the studies they want out of their own research division," he said, "plus an occasional specialized contract to M.I.T. or some individual.

Who Reads the Stuff?

In the advice business, as in other manufacturing enterprises, it frequently seems that nothing succeeds like success. Once an idea has been advanced and generally accepted, it tends to become a fad, and the subject of still further studies and publicity. This was certainly true of the concept of arms control. Four years ago, it was conspicuously frowned on. Today it is high fashion, the subject of books, articles, conferences, and studies of all kinds. Unfortunately, such faddism tends to bring to the fore those whose intelligence is more supple than profound. Take, for example, the (somewhat censored) case of Analyst X.

Analyst X, who works for a private corporation, started with a small contract from a government-supported advisory group. At first he was against arms control—until arms control became popular. Later on, he was all over the country sitting on panels to expound and defend it. He was able to give the illusion of talking science before nonscientists, and social science before scientific types. But his greatest asset lies in what one of his colleagues has described as "an outstanding ability to crash through open doors." This talent has proved to be a profitable one.

It doesn't take much talent to ride a trend. But to reverse or criticize a policy already in effect is something else again. And while the analyst is often called upon to advise on policy positions before an official

decision has been made and a reputation staked on it, he is not nearly so often called upon to review a position. Of course, a Congressional committee may ask an analyst to take a critical view of the policy of the Executive Branch. Or a new administration may ask the analysts to review old policy. But those who earn their living as professional advisers are rarely encouraged to criticize the



policy of those who provide their bread and butter. What is surprising is the number of times they are willing to take the risk. Evidence of this sort of professional courage is frequently entombed in government files, which are filled with studies that have been suppressed solely because they were critical of established policy.

As distinguished from the managerial officials who run his corporation, the working analyst often feels that he is not only a prophet without honor but one who can't even seem to get anyone to listen to him. If he is convinced of the importance of what he has to say, he either—at some risk to his job security—takes to the lecture circuit or writes a book, as Herman Kahn has done, or he buttonholes people in the Pentagon, or whispers in the ear of a congressman if he can find one who will hear him out.

For his bosses the problem is often much more simple. Those who run the problem-analysis corporations, particularly the government-subsidized organizations, usually have impressive contacts in the world of high policy. They often sit on various scientific advisory boards—perhaps even the President's. Their friends are political appointees, the chiefs of the several services, and high-ranking members of influential Congressional committees. Supported by the impressive studies of their underlings, these men, who are

themselves usually scientists and engineers of high repute, can and do play a decisive role in the selection of the major weapon systems that determine our defense policies. Such was the case with Polaris, which was originally "sold" to the Navy chiefs and the White House by outside individuals such as these.

One important reason why personal promotion is important in the advice business is that the reports themselves often go unread—even by other analysts. While there is an abundance of buyers and an abundance of sellers, there is only a handful of consumers. Who has time to read a study report that more often than not looks as big as a metropolitan phone directory anyway? Former Secretary of Defense McElroy once became furious upon discovering that he had not seen an expensive study of air defense until several months after it was finished. But as an assistant remarked, "How did I know he had not seen it, or wanted to see it, even that he should see it?"

The Brass's Brain Trust

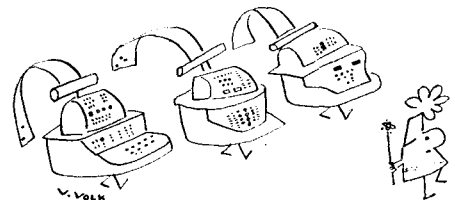
There is no doubt that those who specialize in giving advice to the government have made a number of valuable contributions to the national welfare. But in one respect, problem-analysis corporations, whether privately or Federally controlled, have—until recently at least—constituted a problem in themselves to Washington. Between them they have directly or indirectly drained away from government service a considerable number of specialists whom the government could have used to advantage within its own departments. And in a way the government has been encouraging the pilferage. In all the subsidized government corporations, salaries are comparable to those in industry. The same man who in civil service will get a salary of from \$11,000 to \$13,000 can command from \$15,000 to \$18,000 as a starter from a government subsidiary, and can look forward to making a good deal more than the \$25,000 that the Secretary of Defense now receives. Retirement plans are much better, vacations are longer, and working hours are more flexible in the government subsidiaries than in the civil service. The corporation man travels first class, while the civil

servant, to whom, incidentally, he may report, travels second class.

There are signs, however, that under the Kennedy administration a reversal of this trend may be getting under way. Charles Hitch, a senior economic analyst at RAND, has been appointed Comptroller of the Defense Department, and he has brought in ten other experts from RAND. Three top officials of the Aerospace Corporation have been tapped for government service: Roswell B. Gilpatric, its board chairman, is now Deputy Secretary of Defense; Dr. Jerome B. Wiesner, a trustee, is now Special Assistant to the President for Science and Technology; and Najeeb E. Halaby, its treasurer and general counsel, has been appointed administrator of the Federal Aviation Administration.

OVER THE NEXT few years, the expert analysis of institutional problems is certainly going to be increasingly important to national security. Research costs, including both technical and policy studies, have already grown from \$750 million in 1940 to roughly \$12 billion in 1960, and the growth is bound to continue.

In both the First and Second World Wars, production was the



backbone of national defense. In the period since the Second World War, military security has depended in large measure on the development of new weapons. The solution of specialized military problems, ranging from nuts-and-bolts technology to the highest realms of policy, has quite properly been recognized as a job that requires the best brains, both inside and outside the government. The Federal government—and especially the Defense Department—has a clear responsibility to get the best advice available. There is also, of course, an equal responsibility to make sure that the advice is used both efficiently and wisely by those who must make the final decision.

Crypto-Gaullism

On the French Left

EDMOND TAYLOR

PARIS
THE RECENT three-day session of the French Communist Party's Central Committee reveals an interesting disarray that has developed among local Communists and fellow travelers during the last few weeks. Marcel Servin, who as "organizational secretary" had long been the party's key administrative officer, and Laurent Casanova, who headed the Peace Movement, the most important front organization in France, were both put on trial before their peers for what might be termed crypto-Gaullist deviations in regard to the recent referendum on Algeria.

Both defendants refused to recant, although in accordance with party etiquette they eventually signed a unanimous resolution condemning their "opportunistic" heresy. Servin, a wiry, sardonic-looking former railway worker and wartime Resistance leader, started a ritual self-criticism but then spoiled it by saying: "Like everybody else, I am more or less stubborn. When I have an idea in my head, I look for arguments to back it up." This, as Maurice Thorez, the apparently indestructible secretary-general of the party, pointed out later, was a completely un-Marxist attitude. But Servin's lapse into the thought and speech patterns of normal humanity is by no means the only symptom of ideological erosion in the French party. The present disturbance, like others that have rocked the party since 1930, is above all a power struggle among its top bureaucrats: Servin in particular has long been regarded as a likely successor to Thorez. That is not the whole story, however. There are some unusual features in the background of the latest crisis which, though perhaps less violent than earlier ones, may turn out to have more far-reaching implications.

A number of French Communist intellectuals have already torn up their party cards in disgust with Thorez' dictatorial rule. According to an informed but possibly extreme estimate by Auguste Lecoq, the chief victim of the next-to-last Communist purge, total membership is down from a peak of 900,000 in 1946 to less than 200,000 today. Other intellectuals—among them the novelist and Resistance poet Louis Aragon, a friend of Laurent Casanova—are threatened with excommunication. The main front organizations are in turmoil if not in revolt. There are hints of an impending schism in the powerful Confédération Générale du Travail (CGT), the Communist-controlled labor organization. It is sufficient to read the strangely lukewarm resolutions of confidence in the party leadership emanating from the various provincial federations—each the particular fief of some member of the Central Committee—to realize that the two alleged heretics have a strong and mutinous following. All this could lead in time either to the overthrow of the dominant Thorez faction or to the worst split in the history of the French party.

Day after day in the party press, leading Communist spokesmen—Thorez, Jacques Duclos, François Billoux, Etienne Fajon, Waldeck-Rochet, etc.—keep on attacking the deviationists, but the tone is curiously restrained. Duclos in a recent article even admitted that Servin and Casanova had up to then respected party discipline. "But discipline," he insisted, "is no substitute for conviction."

The refusal of the orthodox party press to publish what Servin and Casanova said in their own defense at the meeting of the Central Committee, or even to specify in con-

crete terms exactly where the two strayed from the party line, shows that Thorez and his henchmen do not feel wholly secure. French political observers suspect that Casanova and Servin will be eased out of their party jobs—both are now on sick leave—but for the time being will not be banished from the party. The real showdown is yet to come.

Translated out of Communist jargon, the basic party charges against Servin, Casanova, and the other heretics is that they are soft on Gaullism, which they failed to recognize as nothing more than an expression of monopoly capitalism. Starting from this original error, some of the culprits drew fallacious distinctions between the sinister forces of international capitalism and a less pernicious French variety that supports de Gaulle. An even graver deviation, Thorez explained in his speech before the Central Committee, is the view that de Gaulle is somehow "above the monopolies" and is not dependent on them.

Nostalgia for Patriotism

Servin and Casanova, according to Thorez, have been misled about the true nature of Gaullism since shortly after the general's return to power in 1958, and repeated efforts to straighten them out have proved fruitless. In consequence their political morals have been going downhill. During the referendum campaign in December and January, they failed to support wholeheartedly the party decision to wage an all-out attack on de Gaulle's Algerian policy. After the vote, in which seventy-five per cent of the electorate supported de Gaulle, they had the temerity to criticize the party leadership for its conduct of the campaign.

Though it is a standard technique of Communist leadership in all countries to find some scapegoat for every party setback, the specific accusations against the principal victims in this case corroborate reports of strong resistance to the party line on the referendum issue in the Peace Movement, in the Communist-controlled women's organizations, in the CGT, among intellectuals who normally accept the party's guidance, and even in a number of party cells or sections. It is significant that both Servin and Casanova are identified with the