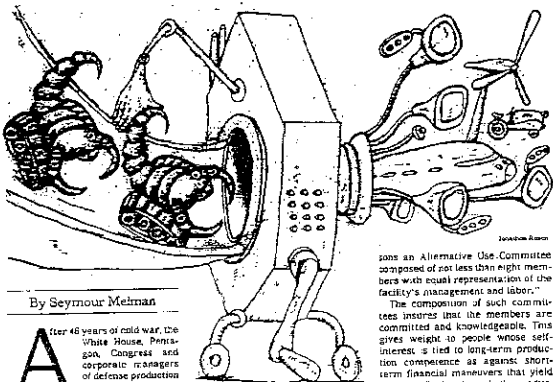


Shaping a Civilian Economy



Joseph Bacon

By Seymour Meiman

After 46 years of cold war, the White House, Pentagon, Congress and corporate managers of defense production are blocking every proposal for planning conversion to a civilian economy. Federal and corporate managers fear a loss of decision-making power; Congress fears the disruption of political arrangements that enable members to bring income and jobs to their constituents.

This avoidance of planning for conversion blocks debate on the policy and finances needed to repair America's industry and infrastructure.

Major contractors like General Dynamics, Lockheed and United Technologies have begun large-scale layoffs. United is cutting its workforce by 14,000, with 6,400 from its Connecticut plants. The company's jet engine orders dropped from 700 in 1982 to 50 this year. Over the next six years, under President Bush's plans, 1.5 million people will lose jobs in defense industry and the military services.

At the close of World War II, U.S. planning for "reconversion" to a civilian economy was already in place. On April 28, 1943, David Prince, a General Electric vice president, wrote the War Production Board, "The very least time during which a new product can be conceived, models made and tested and pilot plant production initiated is of the order of two years." With only a few months' notice of the war's end, he said, "We will find ourselves with a great many people whom we would like to put in

Military cuts call for a plan, not a polemic.

work." This would be delayed two years "unless some... preliminary steps are taken." They were. Planning for reconversion was made national policy as companies, unions and government named officials to spur the program. For most companies, reconversion meant resuming the work interrupted by the war.

During the cold war, corporate and Federal defense managers and engineers trained in the Pentagon's cost-maximizing practices, the obverse of industrial efficiency. For them conversion means an end to subsidies as well as retraining for unfamiliar cost-maximizing skills and the technologies of civilian products.

Conversion requires essential preparations: the planning must be ordered by law, done in advance and done locally in each defense factory, laboratory and military base.

The cornerstone of the comprehensive conversion law proposed by Representative Ted Weiss, Democrat of New York, is this provision: "There shall be established at every defense facility employing at least 100 per-

sons an Alternative Use Committee composed of not less than eight members with equal representation of the facility's management and labor."

The composition of such committees insures that the members are committed and knowledgeable. This gives weight to people whose self-interest is tied to long-term production competence as against short-term financial maneuvers that yield quick profits but degrade the production competence of an industry.

David Prince's judgment that planning must be done in advance is confirmed by ordinary industrial experience. This involves selecting new products, estimating their market, retraining employees, altering the organization of production and redesigning plant facilities.

Bases are convertible to industrial parks, schools, hospitals, airports and recreational facilities. In military laboratories, the scientific staffs must match their knowledge with society's technological needs like renewable energy resources and preventing pollution. The first-hand knowledge possessed by defense company employees is essential for conversion. Thus, conversion must be done locally; no remote central office can possess the necessary knowledge of people, facilities and surroundings.

What can converted factories produce? Products we now buy abroad such as machine tools, electric locomotives, farm machinery, oilfield equipment and consumer electronics. Besides, the modernizing of America's infrastructure will require construction machinery and capital goods of many kinds.

In sum, conversion is crucial to creating a full-employment, productive U.S. economy. □