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Containerizing containment: The Automation and Globalization of the National Security Waterfront, 1945-1997

John Douglas Forrest

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Containerizing containment: The automation and globalization of the National Security
Waterfront, 1945-1997

By

John Douglas Forrest

A Dissertation
Submitted to the Faculty of
Mississippi State University
in Partial Fulfillment of the Requirements
for the Degree of Doctor of Philosophy
in History
in the Department of History

Mississippi State, Mississippi

August 2017

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2017

Containerizing containment: The automation and globalization of the National Security

Waterfront, 1945-1997

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After the introduction of the cargo container and related automation systems in the late 1950s, the numbers of maritime laborers who worked along the piers and aboard ship along American waterways steadily declined. In the late 1950s, tens of thousands of longshoremen and merchant mariners plied their respective trades, but the process of “containerization” reduced their numbers by nearly 70 percent by the late 1980s and early 1990s. The Department of Defense (DoD) similarly containerized and automated its cargo handling during this era. The introduction of the container also had negative consequences for defense maritime policy. Containerization of the National Security Waterfront represented but one decision of many at the Department of Defense to replace laborers and other personnel with automation and privatization. During the Cold War, privatization evolved into contracting corporations for numerous aspects of government operations, including at the DoD. Beginning in the early 1960s, the DoD investigated how best to maximize budgets that were coming under strain from growing Cold War military commitments. Over the course of the following three decades, the DoD adopted containerization for nearly every aspect of its maritime logistics operations. By the

1990s, automation had decimated maritime communities and the DoD's maritime logistics network.

DEDICATION

This study is dedicated to my parents, J. Douglas Forrest and Lorraine Pionzio Forrest.

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CHAPTER I

INTRODUCTION

Unlike most weeks in the late twentieth century, the docks of Wilmington, North Carolina, Savannah, Georgia, and other American military ports teemed with life during early August, 1990. Since the introduction of the cargo container and related automation systems in the late 1950s, the numbers of maritime laborers who worked along the piers and aboard ship along American waterways steadily declined. In the late 1950s, tens of thousands of longshoremen and merchant mariners plied their respective trades, but the process of “containerization” reduced their numbers by nearly 70 percent by the late 1980 and early 1990s.¹ The Department of Defense (DoD) similarly containerized and automated its cargo handling during the same era. By 1990, the decline of the Soviet Union removed a fifty-year threat to American security, but the need for longshoremen and mariners in DoD operations did not cease.²

In August of that year, however, a new threat in the guise of economic destabilization appeared. The Iraqi dictator Saddam Hussein invaded neighboring

¹ Marc Levinson, *The Box: How the Shipping Container Made the World Smaller and the World Economy Bigger*, (Princeton, NJ: Princeton University Press, 2006), 232.

² “This Aggression Will Not Stand,” *New York Times*, March 1, 1991; Andrew Rosenthal, “Bush Sends U.S. Force to Saudi Arabia as Kingdom Agrees to Confront Iraq,” *New York Times*, August 8, 1990; Paul Westermeyer, *Liberating Kuwait: U.S. Marines in the Gulf War, 1990-1991* (Quantico, VA: History Division, United States Marine Corps, 2014), 14-16; Salvatore Mercogliano, “Sealift: A History of American Military Sea Transportation,” (Ph.D. Dissertation, University of Alabama, 2004), 384.

petroleum rich Kuwait and threatened the oil fields of Saudi Arabia. Defense against the threat of an Iraqi army invasion and the potential catastrophic economic effects of an oil shock led the administration of President George H. W. Bush to initiate a massive United States military buildup in Saudi Arabia.³ Getting military equipment, armored vehicles, and ammunition to the Arabian Peninsula for such an operation proved to be much more difficult than planned. When cargo ships arrived at military ocean terminals at Wilmington, Delaware, and Savannah, Georgia, the vessels sat at empty piers. The results of forty years of DoD containerization revealed itself when only a quarter of the longshoremen needed to load materials were available. Thousands of retired longshoremen summoned by their union and the DoD raced towards the two ports from as far away as Texas, Florida, and New York to load the ships in time to stave off disaster. The last vestiges of pre-automated and containerized workforce completed the “miraculous” task of supporting the DoD operation in the Persian Gulf.⁴ In spite of massive cutbacks in their numbers, the remaining longshoremen supported the operation. The result of automating and containerization military logistics, however, became apparent during the summer and fall of 1990.

Scholars of Cold War defense policy have addressed the effect of military spending on new technology, but failed to discuss maritime logistics. The primary goal of this study is to examine the effect of containerization along the docks of military ports

³ Mercogliano, “Sealift”, 394

⁴ Michael Gordon and Bernard Trainor, *The General's War: The Inside Story of the Conflict in the Gulf* (New York: Little, Brown and Company, 1995), 56-58. Gordon and Trainor described the rapid loading of the ships at Sunny Point as “nothing less than miraculous.”

during the Cold War. Shortly after the end of World War II, the United States retooled its security mechanisms through legislation.⁵ The National Security Act of 1947 placed the American government and economy on a permanent war footing.⁶ From the late 1940s through the early 1990s, military exigencies dictated nearly every aspect of government spending. Author Marcus Raskin described the government's overwhelming focus on defense matters during the Cold War as the "National Security State."⁷ Maritime logistics was no exception. No scholarship, however, has evaluated the results of automation and privatization on military logistics along the National Security Waterfront. Borrowing from Raskin, the "National Security Waterfront" was an outgrowth of the Cold War era "National Security State." Beginning in 1947, military preparedness influenced the vast majority of national economic and policy decisions. The "National Security Waterfront" describes the maritime logistics aspects of the Cold War military buildup. The laborers and ships of the maritime sector populated the docks of the National Security Waterfront during the Cold War. The cargo container, which replaced workers, also became an instrument of automation and globalization. Globalization, or the integration of international economic and trade systems, was facilitated by the cargo container. According to historian Marc Levinson, the "box made the world smaller."⁸ He noted that while "the container made shipping cheap" by

⁵ Michael J. Hogan, *A Cross of Iron: Harry S. Truman and the Origins of the National Security State, 1945-1954* (Cambridge: Cambridge University Press, 1998), 190-210.

⁶ Paul A.C. Koistinen, *State of War: The Political Economy of American Warfare, 1945-2011* (Lawrence, KS: University Press of Kansas, 2012), 24-26.

⁷ Marcus G. Raskin, *Essays of A Citizen: From National Security State to Democracy* (New York: Routledge, 1992), 2-4.

⁸ Levinson, *The Box*, 2.

automating the docks, “the armies of ill-paid, ill-treated workers who once made their livings loading and unloading ships [were] no more.”⁹ The depopulated docks of American port cities sat at the intersection of automation and Cold War era maritime policy.

The triumph of automation and containerization contrasted with the tragedy of the longshoremen’s fate. Historian Hayden White argued that historical studies and literary works shared plot structures and story arcs for the subjects of the work. For the subjects of what work? White argued that stories have a trajectory of changes for the subjects of the story, also known as emplotments. Emplotments, or what White describes as “archetypal story forms,” are embodied in relatively simple concepts such as romances, comedies, and tragedies.¹⁰ For the subjects undergoing positive changes, White describes this trajectory as a comedic emplotment. Story lines with negative outcomes for the subjects, however, have a tragic emplotment.¹¹ The tragic change for longshoremen and maritime communities was the invention of the cargo container and its adoption by commercial shippers and the DoD over the course of the Cold War. This paragraph is confusing.

The introduction of the container similarly had negative consequences for defense maritime policy. Containerization of the National Security Waterfront represented but one decision of many at the Department of Defense to replace laborers and other

⁹ Ibid, 2.

¹⁰ Hayden White, *Metahistory: The Historical Imagination in Nineteenth-Century Europe* (Baltimore: Johns Hopkins University Press, 1973), 10-11.

¹¹ Ibid, 38.

personnel with automation and privatization. Privatization during the Cold War evolved into contracting corporations for numerous aspects of government operations, including at the DoD.¹² Beginning in the early 1960s, the DoD investigated how best to maximize budgets under strain from numerous Cold War era military commitments. Over the course of the following three decades, the DoD adopted containerization for nearly every aspect of maritime logistics operations. By the 1990s, automation decimated maritime communities and the DoD's maritime logistics network. This study's core argument is that the DoD's blind adherence to privatization in the latter stages of the Cold War and adoption of the cargo container decimated maritime employment and the military's logistics capabilities.

An additional goal of this study beyond investigating containerization is to create an interpretative lens for U.S. maritime defense policy and government-labor relations during the Cold War. In *Essence of Decision: Explaining the Cuban Missile Crisis*, Graham Allison's investigation of American and Soviet officials during the Cuban Missile Crisis offered an interpretation of government behavior and decision making processes. Allison's models included the Organizational Process Model explaining both individual and group behavior for investigating government actions.¹³ First, organizations exist in order to produce a "systematic and harmonious or united action."¹⁴ Furthermore, organizations are charged with missions based on the capabilities and task

¹² Peter Warren Singer, *Corporate Warriors: The Rise of the Privatized Military Industry* (Ithaca, NY: Cornell University Press, 2003), 63-67.

¹⁴ Graham Allison and Philip Zelikow, *Essence of Decision: Explaining the Cuban Missile Crisis* (New York: Longman, 1999), 143. Allison wrote the original text. Zelikow expanded and edited the text in the late 1990s.

at hand. Finally, such an agency develops an organizational culture based on its designated capabilities. Individuals employed by such an agency conform to the leadership's policies, practices, and standards.¹⁵ While Allison applied his model to the short term crisis over thirteen days in 1962, this study aims to expand the temporal scope of this model to several decades. From the 1960s through the 1990s, civilian policy makers and managers, such as Robert McNamara and David Packard, introduced various private sector reforms to defense planning. The reforms and new programs ultimately represented the early stages of a new organizational culture and process in the DoD. The new culture at the DoD favored scientific management principles and financial reforms over other considerations, especially those of human capital.¹⁶

Using the modified Organizational Process model, this study offers a four-stage process by which to view the DoD's embrace of private sector methods, including the cargo container. Chapter II analyzes military logistics and labor issues before the introduction of the cargo container. The first stage of the process of the military adopting private business methods is covered in Chapter III's discussion of the DoD under Robert McNamara and David Packard from 1961 to 1971. Policy changes during the John F. Kennedy and Lyndon B. Johnson administrations altered procurement and budgeting guidance to match to methods of the private sector.¹⁷ In no small part, McNamara's and

¹⁵ Ibid, 143.

¹⁶ Transcript, David Packard, November 9, 1987, interviewed by Albert Goldberg and Maurice Matloff, 12, Historical Office, Office of the Secretary of Defense, http://history.defense.gov/Portals/70/Documents/oral_history/OH_Trans_PackardDavid%2011-9-1987.pdf

¹⁷ Charles J. Hitch, *Decision Making for Defense* (Berkeley, CA: University of California Press, 1970), 25-27.

Packard's respective embrace of what the latter termed "proper management methods," derived from their experiences at major consumer product corporations.¹⁸ Over the course of a forty year period, the organizational culture at the DoD conformed to the example of commercial shippers who pioneering efficient, cost-effective means for logistics with the container. Following suit, McNamara and staff introduced containerization to military logistics. With DoD planners such as McNamara, Cyrus Vance, and others demanding containerized shipping from an increasingly automated maritime industry, military procurement only accelerated the process of containerization by the early 1970s.¹⁹

As a solution to dependence on a potentially unruly labor force and inject predictability, privatization and deregulation combined with the DoD's second stage of embracing containerization in the 1970s. Chapter IV discusses how the Richard M. Nixon, Gerald R. Ford, and Jimmy Carter administrations continued the DoD's implementation of containerization. From 1969 onward, Deputy Secretary of Defense David Packard and his successors at the DoD, including Donald Rumsfeld and Harold Brown, implemented accounting regimens and purchasing policies drawn directly from

¹⁸ Transcript, David Packard, November 9, 1987, interviewed by Albert Goldberg and Maurice Matloff, Historical Office, Office of the Secretary of Defense, 23. http://history.defense.gov/Portals/70/Documents/oral_history/OH_Trans_PackardDavid%2011-9-1987.pdf; Transcript, George Anderson, interview by Maurice Matloff, May 17, 1984, Historical Office, Office of the Secretary of Defense, http://history.defense.gov/Portals/70/Documents/oral_history/OH_Trans_AndersonGeorge5-17-1984.pdf. This doesn't make sense.

¹⁹ Walter Poole, *Adapting to Flexible Response, 1960-1968* (Washington, DC: Historical Office of the Office of the Secretary of Defense, 2013), 21-23; Richard A. Hunt, *Melvin Laird and the Foundation of the Post-Vietnam Military, 1969-1973* (Washington, DC: Historical Office of the Office of the Secretary of Defense, 2015), 8-11.

the private sector.²⁰ Post-Vietnam era defense spending cuts accelerated the amenability of political appointees and military officers to the increased automation of logistics.²¹ The 1970s also witnessed a steep decline in the maritime labor force as a result of containerization. Government officials embraced transportation industry initiatives considered essential to efficiency. Taking cues from contemporary economists and popular support for deregulation, transportation firms lobbied for the removal of federal commercial regulations. Politicians harnessed the popularity of the deregulation movement during late 1970s to address the U.S. flagged shipping industry's decline during contemporary energy and economic crises. In doing so, planners and legislation incrementally removed safety and employment protections for maritime workers.²²

Chapter V investigates maritime reforms during the administration of Ronald Reagan. The third stage of automation and globalization of the National Security Waterfront coupled deregulation with a commitment to restoring naval and commercial maritime primacy.²³ . Specifically, the administration touted the “600 ship” navy. Rapid

²⁰ Packard founded computer firm Hewlett-Packard and served as the company's President and CEO before his nomination for Deputy Secretary of Defense by President Nixon.

²¹ Benjamin Holland (President, International Longshoreman's Association, Beaumont, TX), Telephone interview with the author, September 2, 2014.

²¹ Transcript, David Packard, November 9, 1987, interviewed by Albert Goldberg and Maurice Matloff, 14, Historical Office, Office of the Secretary of Defense, http://history.defense.gov/Portals/70/Documents/oral_history/OH_Trans_PackardDavid%2011-9-1987.pdf.

²² Shane Hamilton, *Trucking Country: The Road to America's Walmart Economy* (Princeton, NJ: Princeton University Press, 2008), 2.

²³ Blaine Harden, “The Editor Who Claims to Think Like a President,” *Washington Post*, July 11, 1982; Jude Wanniski, *The Way The World Works: How Economies Fail-and Succeed* (New York: Basic Books, 1978), 129-132. Wanniski is most often credited with inventing the term “supply-side” economics, but the concept was developed by economist Milton Friedman and Nixon advisor Herbert Stein. For more, see Robert Bartley, *The Seven Fat Years: And How To Do It Again* (New York: The Free Press, 1992), 13-22.

expansion of defense budgets aimed at deterring the Soviet Union, however, failed to include enough funds for the preservation of the maritime labor base.²⁴ Promised reforms of the maritime industry instead focused on furthering deregulation or privatization of federal responsibilities. Maritime labor similarly suffered under the weight of sweeping federal prosecutions for the age old allegation of mob ties and racketeering. In spite of repeated and well-publicized episodes of military contractor abuses, only labor unions suffered under the weight of Department of Justice investigations.²⁵ By the mid-1980s, defense contractor abuses and inefficiencies in the budgeting process led to another call for reforms. Led by David Packard and similar champions of privatization, the reform movement at the DoD in the mid and late 1980s resulted in further deregulation and automation.²⁶

Chapter VI discusses the final stage of defense containerization and automation during the late 1980s and 1990s. Managerial reforms during the late 1980s cemented an organizational culture at the DoD in favor of privatization. Apart from repeated attempts to circumvent the use of U.S. flagged shipping by the DoD, civilian leadership of the military explored contracting defense logistics to private corporations during the term of Secretary of Defense Dick Cheney.²⁷ The deeply ingrained privatization impulse at the

²⁴ Thomas A. Schaff, "Six Years of Maritime Decline," *Journal of Commerce* (New York), April 8, 1987.

²⁵ James Jacobs, *Mobsters, Unions and Feds: The Mafia and the American Labor Movement* (New York: New York University Press, 2006), 56.

²⁶ Bill Keller, "A Familiar Face, a Familiar Problem," *New York Times*, June 20, 1985. <http://www.nytimes.com/1985/06/20/us/a-familiar-face-a-familiar-problem.html> Accessed March 22, 2016.

²⁷ "Dick Cheney-A Heartbeat Away," YouTube video, 1:27:00, televised by Wyoming Public Television on November 13, 2015, posted by "Wyoming PBS," <https://www.youtube.com/watch?v=16NqFviGvvE> (accessed May 14, 2016); Lawrence Schwartz, Alfred

DoD accelerated use of private sector logistics methods. The DoD exercises preparing for a late Cold War conflict with the Soviet Union, such as the *Reforger* operations, featured heavy reliance on containerization.²⁸ Resultantly, the ordinal steps which set the DoD down the path of automation in the late 1950s and early 1960s precipitated the Gulf War sealift debacle of 1990. Insufficient numbers of longshoremen, a lack of U.S. flagged shipping, and an overemphasis on contingency planning based upon containerization caught the DoD unprepared.²⁹

In spite of the overwhelming dependence upon longshoremen in the summer and autumn of 1990, the DoD failed to learn from this example. Rather, defense planners and military officers maintained further automation and containerization could handle DoD logistics concerns.³⁰ The trade agenda of the Bush and Bill Clinton administrations abetted the DoD's post-Cold War transition to globalized logistics networks. Legislation attuned the American economy to free trade by the mid-1990s. Congressional approval of free trade agreements facilitated deeper federal commitment to globalization, the cargo container, and its destructive effect on maritime and shore side labor.³¹

H. Beyer, Frederick M. McNamee, Click D. Smith, *Review of DoD's Strategic Mobility Programs: Commercial Sealift Support*, (Washington, DC: Logistics Management Institute, 1992), 2.

²⁸ Simon Duke, *United States Military Forces and Installations in Europe*, (New York: Oxford University Press, 1989), 24.; Lt. Col. Martyn Morford and Captain Greg Jones, "Sustaining A Cold War Army", *Millrinder*, No. 2, (2011), 21-22.

²⁹ Benjamin Holland (President, International Longshoreman's Association, Beaumont, TX), telephone interview with the author, September 2, 2014.; William DiBenedetto and Bruce Vail, "Military Sealift to Gulf Underway", *Journal of Commerce*, (New York), August 10, 1990.

³⁰ Lawrence Schwartz, et al., *Review of DoD's Strategic Mobility Programs*, 2.

³¹ Levinson, *The Box*, 1-6.

This study also aims to bridge the disparate historiographies military, maritime, and labor affairs. A secondary goal of this study is to contribute to the growing field of maritime history. According to historian John Hattendorf, maritime history, or a “multidimensional study of human interactions with the world’s water covered regions,” has witnessed a recent resurgence.³² Hattendorf explained that throughout the latter decades of the twentieth century, maritime studies lost popularity as they were primarily studies of naval operations, exploration, or the biographies of military commanders. Only when maritime scholars embraced social and cultural studies, he argued, did the field enjoy renewed relevance.³³ An exemplar of the “new” maritime history was maritime journalist and historian Marc Levinson’s *The Box: How the Shipping Container Made the World Smaller and the World Economy Bigger*. No study of workers on the waterfront covers as much ground as *The Box* and the text remains the seminal work on the invention and proliferation of the cargo container.³⁴ Levinson focused the majority of his work on the positive economic and industrial effects of containerization, such as increased profitability for shippers and rapidity of shipment of products that containerization facilitated.³⁵ While Levinson occasionally references cultural representations of the waterfront and unemployed workers, containerization and economic growth are his primary concern. Moreover, *The Box* fails to discuss the DoD’s

³² John B. Hattendorf, “Maritime History Today,” *Perspectives on History* 50, no. 2 (2012), accessed June 6, 2016, <https://www.historians.org/publications-and-directories/perspectives-on-history/february-2012/maritime-history-today>.

³³ Ibid.

³⁴ Levinson, *The Box*, 240.

³⁵ Ibid, 2-5.

embrace of containerization in the 1970s and 1980s. This study aims to expand upon Levinson's work and focus on fields and workers he bypassed.

A significant historiographical intervention by this study is the discussion of longshoremen who lost their livelihoods and continued to suffer negative stereotyping. British social historian E.P. Thompson intended to “rescue the poor stockinger, the Luddite cropper, the ‘obsolete’ hand-loom weaver...from the enormous condescension of posterity.”³⁶ This study, on the other hand, aims to rescue longshoremen and maritime workers from the enormous suspicion of posterity. The longshoreman was depicted in popular culture throughout the late twentieth and early twenty-first centuries as a shadowy figure often involved in nefarious activities. According to historian James T. Fisher, negative movie and television depictions of longshoremen became “the definitive account” for the general public.³⁷ Films such as *On the Waterfront* (1954) and *The French Connection* (1971) depicted longshoremen and seamen as the dock agents of organized crime and drug kingpins.³⁸ Similarly, popular television, shows such as *The Sopranos* and *The Wire*, featured season-long story arcs of longshoremen as facilitators of theft and human trafficking. *The Wire*'s example is particularly egregious, as the show's creator was David Simon, the former maritime editor and homicide reporter for *The Baltimore Sun*. Simon pedaled his knowledge of maritime affairs and crime to

³⁶ E.P. Thompson, *The Making of the English Working Class*, (New York: Pantheon Books, 1964), 12.

³⁷ James T. Fisher, *On the Irish Waterfront: The Crusader, the Movie, and the Soul of the Port of New York*, (Ithaca, NY: Cornell University Press, 2011), 295.

³⁸ Ibid, 295-296.

promote his show as an authentic view of American urban, economic, and political life.³⁹

An unforgivable sin in the American discourse was the persistent reinforcement of negative stereotypes. Obviously this was not the case when it came to popular culture's depiction of the American worker. The disservice done to longshoremen and other maritime workers in the popular media is this study's *raison d'être*.

The historiography on subjects involving waterfront workers, economics, and defense policy throughout the twentieth century is relatively thin. Earlier studies featuring longshoremen or maritime workers have depicted them as either heroic radicals or proxies for organized crime. Bruce Nelson and Howard Kilmildorf are among the very few authors who have focused on maritime workers in the United States. Their studies were constrained by the fact that they selectively discussed workers from limited locations and populations. Both detailed the pre-World War II split between the International Longshoreman's Association (ILA) and the International Longshore and Warehouse Union (ILWU). Both works depicted the ILA as merely a tool of shipping company owners or as a conduit for mobsters.⁴⁰ Similarly, former federal prosecutor James Jacobs claimed only federal purging of criminal elements within unions offered workers legitimate representation. Jacobs, a former U.S. District Attorney, prosecuted

³⁹ Margaret Talbot, "Stealing Life: The Crusader Behind 'The Wire'", *The New Yorker*, October 22, 2007, <http://www.newyorker.com/magazine/2007/10/22/stealing-life>

⁴⁰ Bruce Nelson, *Workers on the Waterfront: Seamen, Longshoremen, and Unionism in the 1930s* (Champaign, IL: University of Illinois Press, 1988), 7-12; Howard Kilmildorf, *Reds or Rackets?: The Making of Radical and Conservative Unions on the Waterfront* (Berkeley: University of California Press, 1988), 2-4. In both cases, the authors champion the cause of the radical or class-conscious longshoremen in the ILWU over the conservative workers in the ILA. Much of this material and era will be discussed in Chapter II.

ILA officials during the 1980s and 1990s.⁴¹ The glaring omission in most of these works is the role of civilian labor in military logistics. Furthermore, the characterization of the longshoreman as a mafia tool, a Communist, or a heroic champion of radical activism is and was an incomplete picture.⁴²

Scholars such as Jefferson Cowie or David Noble noted the steady decline of organized labor in the 1960s and 1970s during the heyday of automation. Cowie's *Stayin' Alive: The 1970s and the Last Days of the Working Class* discussed the beginnings of industrial decline and economic stagnation during the late 1960s and early 1970s. Cowie argued that the broad debasement of organized labor occurred after the rise of anti-labor sentiments in the electorate by the late 1960s. Cowie's sweeping discussion of the working class, however, concentrates on larger populations of workers in the automobile plants, mining, or other heavy manufacturing industries, not maritime workers.⁴³ According to Cowie, "the turbulent waters of the 1970s, (for unions) roared with a vengeance during the 1980s."⁴⁴ Cowie, however, treats the 1970s and early 1980s as a prologue to a larger story of labor's collapse in later decades without further explanation. Major deindustrialization did not take place until later in the 1980s and 1990s. Beyond a few anecdotes, Cowie failed to integrate his story into trends such as outsourcing or automation.

⁴¹ Jacobs, *Mobsters, Unions and Feds*, 76-79.

⁴² Samuel Eliot Morison, *History of United States Naval Operations in World War II: Battle of the Atlantic* (Boston: Little, Brown and Company, 1947), 298-301.

⁴³ Jefferson Cowie, *Stayin' Alive: The 1970s and the Last Days of the Working Class* (New York: The New Press, 2008), 7. The 1960s and 1970s are discussed in detail in Chapters III and IV.

⁴⁴ *Ibid*, 296.

Studies of automation rarely discussed maritime workers, but covered important trends such as productivity and the role of labor during increased mechanization. David Noble devoted several monographs to the concept of “technological unemployment” in heavy industries. Borrowing from John Maynard Keynes’ definition of unemployed workers because of technological innovations or automation, Noble’s approach to industry differs from Keynes. Keynes argued that technological unemployment was an unintended consequence of technology. In *Forces of Production: A History of Industrial Automation* and *Progress Without People: New Technology, Unemployment, and the Message and Resistance*, Noble offered the argument that engineers designed machines to reduce labor at the behest of their employers. Employers invested in more technology and laid off workers in order to maximize their profit margins.⁴⁵ Noble’s texts discussed worker resistance, such as sabotage, and provided an interesting framework for how mechanization destroys communities. Noble’s discussion of workers sabotaging machines as a form of resistance misses the mark for most maritime laborers in the United States during the Cold War. They voted, contributed to political parties, attended church, and eschewed radical tactics other than strikes in their negotiations over wages or working conditions.⁴⁶

Recent studies have illustrated links between economic and budget austerity, and the decline of maritime labor resulting from automation, deregulation, and privatization.

⁴⁵ David Noble, *Progress Without People: New Technology, Unemployment, and the Message of Resistance* (Toronto: Between the Lines, 1995), xiv.; David Noble, *Forces of Production: A Social History of Industrial Automation* (New Brunswick, NJ: Transaction Publications, 2011), 253, 353.

⁴⁶ Earl Lewis, *In Their Own Interests: Race, Class, and Power in Twentieth Century Norfolk* (Berkeley, CA: University of California Press, 1988), 10.

In *The Seventies: The Great Shift in American Culture, Society, and Politics*, Bruce Schulman discussed the decline of the pro-labor consensus, which had guided policy and elections in the immediate post-war period. Schulman's argument is that the 1970s witnessed a transition from faith in the federal government's ability to solve social ills to a belief in private sector solutions as a treatment for economic decline. The downsizing of the federal budget left enormous gaps in the economy previously reserved for the government. According to Schulman, the mid-1970s witnessed a "diverting of resources and initiative from the public to the private sector."⁴⁷ Similarly, Thomas Borstelmann's *The 1970s: A New Global History from Civil Rights to Economic Inequality* discussed the oil shocks of 1970s and the internationalization of manufacturing markets. The study connected the decline of the Keynesian programs during the 1970s to rising individualism and a rejection of collective improvement through government. Borstelmann illustrated an interconnected global marketplace to the rise of a 1970s-era rejection of community. Simultaneously, a development of foreign produced consumer goods catered to the individual self-improvement, not the group or reliance on the state. Succinctly, Borstelmann noted that "confidence in the mechanisms of supply and demand replace confidence in the government."⁴⁸

Recent scholarship about the transportation industry identified broad-based support for private management of the market in the 1970s. Shane Hamilton's *Trucking Country: The Road to America's Wal-Mart Economy* discusses a rebellion by truckers

⁴⁷ Bruce Schulman, *The Seventies: The Great Shift in American Culture, Society, and Politics* (New York: The Free Press, 2001), 23-35.

⁴⁸ Thomas Borstelmann, *The 1970s: A New Global History from Civil Rights to Economic Inequality* (Princeton, NJ: Princeton University Press, 2012), 5, 273.

against road transportation regulations during what he dubs a “free market revolution” during the Nixon, Ford, Carter, and early Reagan administrations. Hamilton notes that a belief in allowing the private sector to manage the economy permeated the public discourse of the 1970s regardless of political affiliation.⁴⁹ Hamilton argues that the collapse of the Keynesian consensus during the late 1960s and 1970s marked the transition from a state-centric, well-regulated economy to a lower-priced privatization movement. By default, any individual employed in the transportation economy ultimately became another cost to be minimized by what Hamilton calls “lean and mean” business strategies.⁵⁰ Hamilton, however, neglects to examine international market forces such as energy and the maritime transportation economy.

As with labor and economic studies, commercial maritime policy during the Cold War has received little attention by historians. The historiography of defense policy of the 1960s failed to discuss seafight or organized labor. Studies of the DoD in the 1960s note the influence of Robert McNamara and events related to the Vietnam Conflict. Allan R. Millett and Peter Maslowski’s *For the Common Defense: A Military History of the United States* provided a broad overview of the formation and implementation of McNamara’s organizational changes at the Pentagon during the 1960s. Perhaps no previous study captures the minds of planners and appointees during the 1960s better

⁴⁹ Shane Hamilton, *Trucking Country: The Road to America’s Walmart Economy* (Princeton, NJ: Princeton University Press, 2008), 2.

⁵⁰ Ibid, 11-12. The term “lean” is a management buzzword, ultimately meaning the cutting of superfluous costs such as labor, transportation costs, or other impediments to profitability. For more on “lean” as a business methodology born out of Japanese manufacturing in the 1960s and 1970s, see James Womack, Daniel T. Jones, and Daniel Roos, *The Machine That Changed the World* (New York: Simon and Schuster, 1990), 11-13.

than H.R. McMaster's *Dereliction of Duty: Lyndon Johnson, Robert McNamara, the Joint Chiefs of Staff, and the Lies that Led to Vietnam*. According to McMaster, the entire national security structure overestimated U.S. capabilities based on flawed statistical models and outright fabrications. McMaster blames commanders on the ground, in the Pentagon, and civilian appointees such as Robert McNamara and W. W. Rostow for the titular "dereliction of duty."⁵¹ Especially useful in any discussion of the Department of Defense are the collections of official histories from the Office of the Secretary of Defense's Historical Division. Their completed biographies of Robert McNamara and Melvin Laird provide a total view of defense policy. Any peripheral events, political trends, or economic developments, however, fail to receive as much a focus as the intricate methods of defense appropriation or personnel management at the Pentagon.⁵²

Maritime defense procurement and operations received little notice in studies of privatization at the DoD during the 1970 and 1980s. Defense contracts and solutions for potential security concerns in the future guided expenditures from the early days of the Cold War into the 1980s. Paul A.C. Koistinen's multi-volume history of the military-industrial complex culminated with his study *State of War: The Political Economy of American Warfare, 1945-2011*. Koistinen discussed the growth of the defense

⁵¹ H.R. McMaster, *Dereliction of Duty: Johnson, McNamara, the Joint Chiefs of Staff, and the Lies That Led to Vietnam* (New York: Harper Collins, 1997), 4-12.

⁵² Walter Poole, *Adapting to Flexible Response, 1960-1968* (Washington, DC: Historical Office of the Office of the Secretary of Defense, 2013), 21-23; Richard A. Hunt, *Melvin Laird and the Foundation of the Post-Vietnam Military, 1969-1973* (Washington, DC: Historical Office of the Office of the Secretary of Defense, 2015), 8-11.

contracting sector throughout the 1950s and 1960s.⁵³ In separate sections of his monograph, Koistinen argued that budgeting trended toward privatized defense research and development. This trend towards privatization contributed to growth in large consulting and contracting firms.⁵⁴ Organizations such as the RAND Corporation and similar think tanks or federally sponsored conferences conceived of or argued in favor of private sector solutions to public sector issues. Congressional appropriators or political appointees trusted expert opinions from the private sector. In turn, Congress provided more funds for private sector contracts.⁵⁵ Contracting with private firms for traditional internal DoD functions, however, took off during the Nixon, Ford, and Carter administrations of the 1970s. In particular, Koistinen described the defense industry of the 1970s as one of consolidation where fewer corporations obtained the vast majority of defense contracts.⁵⁶ Even in the era of lower defense budgets during the 1970s, Koistinen stated the DoD awarded Fortune 500 companies seventy-five percent of defense contracts related to ammunition, food, and other defense products. Conglomeration and limited contract distribution only intensified during the defense buildup of the later 1970s.⁵⁷ Koistinen failed to include logistics or transportation defense contracts. With an industry and funding reservoir as vast as the defense establishment, one could hardly fault

⁵³ Paul A.C. Koistinen, *State of War: The Political Economy of American Warfare, 1945-2011* (Lawrence, KS: University Press of Kansas, 2012), 168.

⁵⁴ Ibid, 71.

⁵⁵ Ibid, 79.

⁵⁶ Koistinen, *State of War*, 91-95.

⁵⁷ Ibid, 93.

Koistinen for concentrating on large scale contracts related to aerospace, tanks, or naval weaponry.⁵⁸

Koistinen's conclusion explains the complex interplay between Cold War military necessities, contractor interests, and the vast sums of money devoted to defense spending. Koistinen paid particular attention to the symbiotic relationship between the DoD and large defense contractors, which he argues, became too cozy by the mid-1980s.⁵⁹ Moreover, Koistinen illustrates the way that dependence on expensive technology and automation resulted in substantially higher defense budgets. Finally, Koistinen characterizes the relationships between contractors and DoD officials as a form of corruption and criminality. Koistinen states that no corruption charges came as a result of improper relationships, wasted spending on inoperable military systems, or graft in defense contracting. By contrast, maritime workers and unions in the same era suffered under the burden of perpetual federal investigation.⁶⁰

Similarly, Andrew Bacevich argued in *Washington Rules: America's Path to Permanent War* that a defense spending "consensus" developed in the Defense establishment during the Cold War. Bacevich discussed the restoration of the "consensus" with renewed vigor and vast budget increases after comparatively low levels of spending in the 1970s. The "consensus" Bacevich described resulted in major defense

⁵⁸ Ibid, 40, 94. Koistinen authored nearly a dozen books over the course of his career related to the military-industrial complex. While he makes mention of large conglomerates, such as Kellogg, Brown and Root, obtaining logistical support contracts, these contracts came at a later date and rarely applied to shipping interests.

⁵⁹ Ibid, 24-26.

⁶⁰ Ibid, 27.

appropriations by members of Congress regardless of political party. This “consensus” included collusion between government and private sector figures in order to channel funding into technologically sophisticated and profoundly expensive weapons systems.⁶¹ Koistinen and Bacevich focused entirely upon the financial and political origins of increased spending in the 1980s. Rather than offering a detailed critique of individual policies or aspects of the military economy, however, both Koistinen and Bacevich discussed broad themes, such as political ideology or contracting corruption or boondoggles, in their criticisms of defense budgets or policy makers in the Reagan administration.

Scholars of early 1980s political history highlight the economic ideology of the Reagan administration with varying degrees of success. Sean Wilentz in *The Age of Reagan: 1974-2008* detailed the environment in which the supply-side and deregulatory ideologies dominated in the early 1980s. Wilentz did not wish to “add to the copious literature of either hagiography or vilification” about various political leaders. While Wilentz is fair in his analysis of the Ford, Carter, Reagan, and Bush administrations, he also added little discussion of economic conditions, which factored into decisions or events.⁶² Daniel Rodgers, on the other hand, enumerates economic reforms by the Reagan administration in detail in his *Age of Fracture*. Rodgers illustrated policy and legislative initiatives during the first Reagan term that deregulated the transportation industry. Rodgers offers a nuanced and well-informed approach when noting that

⁶¹ Andrew Bacevich, *Washington Rules: America’s Path to Permanent War* (New York: MacMillan, 2010), 149-154.

⁶² Sean Wilentz, *The Age of Reagan: 1974-2008, A History* (New York: Harper Collins, 2009), 1-3.

“deregulation was a radical project before it became a conservative one.”⁶³ Deregulation as a governing philosophy grew out of the “stagflation” era of the 1970s. Conservative writers such as Robert Bartley, William F. Buckley, and economist Milton Friedman, favored “unleashing of private enterprise” to solve the problems government created or could not solve. Removing government regulations became the political solution for an anemic transportation industry racked by economic slowdown and energy crises. The principle of the “the best government is that which governs least” became a plank in Reagan’s platform in the election of 1980 and for much of his administration.⁶⁴ Rodgers overwhelmingly focused on deregulation of the airline and ground transportation industries. His study disregarded the focus of this work, the maritime economy. Ships carried nearly ninety-five percent of cargo in the 1980s, far more than the relatively small scale road and rail industries.⁶⁵

Government reform became a frequent method of addressing allegations of waste, graft, and corruption in federal spending. Alan I. Marcus, in his article “‘Would You Like Fries With That, Sir?’: The Evolution of Management Theories and the Rise and Fall of Total Quality Management Within the American Federal Government,” noted the popularity of a variety of scientific management theories in the federal and defense

⁶³ Daniel Rodgers, *Age of Fracture* (Cambridge, MA: The Belknap Press of Harvard University Press, 2011), 134.

⁶⁴ Robert L. Bartley, *Seven Fat Years: And How to Do It Again* (New York: Free Press, 1995), 122; Gil Troy, *The Reagan Revolution: A Short Introduction* (New York: Oxford University Press, 2009), 104. Troy traces a deregulatory philosophy to previous Republican intellectuals and politicians, including Buckley and Barry Goldwater. Bartley was the editorial page editor of the *Wall Street Journal* during the 1970s and 1980s.

⁶⁵ Mercogliano, “Sealift”, 339.

sectors, especially in the 1970s and 1980s. The purpose of the wide array of management theories, according to Marcus, was to correct unproductive or inefficient behaviors in federal workers. Marcus's article covers events in the later 1980s and 1990s, including government adoption of the organizational reform program known as Total Quality Management (TQM). Advocates for TQM claimed that it would improve the productivity of workers using statistical modeling and privatization. According to Marcus, no agency "embraced the managerial ethos more passionately than the Defense Department."⁶⁶ Rather than a late 1980s development, this work dates the privatization of defense logistics to the early in the 1980s.

Scholars of maritime history have done the most work of combining and analyzing the distinct fields intersecting on the waterfront. Andrew Gibson and Arthur Donovan's *The Abandoned Ocean: A History of United States Maritime Policy* is a rare example of a history of American maritime affairs. The authors trace in broad strokes of the long decline from American dominance of the world's shipping economy to what they described as "the approaching end" of U.S. maritime relevance by the 1970s and 1980s.⁶⁷ In spite of spending increases during the 1980s "strongly linked to military readiness," Gibson and Donovan argued that automation decimated the maritime labor pool by the late 1980s.⁶⁸ The two countervailing trends, an expansion of military

⁶⁶ Alan I. Marcus, "'Would You Like Fries with That, Sir?': The Evolution of Management Theories and the Rise and Fall of Total Quality Management within the American Federal Government," *Management & Organizational History* 3, No. 4 (2008): 311-313. According to the DoD, TQM's purpose was intended to be "continuous improvement of products and services." Included in the definition of products and services was "acquisition and logistics."

⁶⁷ Andrew Gibson and Arthur Donovan, *The Abandoned Ocean: A History of United States Maritime Policy* (Columbia: University of South Carolina Press, 2000), 218-259.

⁶⁸ *Ibid*, 3, 259.

spending and decreased maritime employment, only widened in disparity during the late Cold War. Gibson's and Donovan's work is a rare example of a well-informed text. Ocean terminology, events, and economics are clearly defined and accessible for scholars unfamiliar with the maritime world. Their text, however, rarely discussed important details such as individual pieces of legislation, or decision makers who shaped policy beyond notable elected officials. Moreover, Gibson and Donovan avoided a critical analysis of deregulation.⁶⁹ Salvatore Mercogliano's "Sealift: A History of American Military Sea Transportation," a study of merchant mariners, naval officers, and logistics during the Cold War, is similarly sophisticated in its discussion of defense logistics. Mercogliano, a former merchant mariner himself, enumerates maritime policies and military operations throughout the twentieth century in engrossing detail. Much of this work, however, was a day-by-day chronicle of military operations. Rather than critically evaluating maritime policy, Mercogliano's study was an implicit argument in favor of expanding of the dwindling military sealift fleet. Civilian workers and the broader maritime economy figured little in his work.⁷⁰

This study aims to fill the aforementioned gaps in the historiography of maritime workers in military logistics during the Cold War with heavy use of archival sources and oral histories. The papers of political figures are a rich vein of materials for researching policy. Archival holdings of the papers of Senator John C. Stennis, Representative Helen

⁶⁹ Ibid, 242-263. Gibson was Federal Maritime Commissioner under President Nixon and composed Ronald Reagan's maritime platform during his 1980 campaign and favored deregulation as an instrument of promoting economic growth.

⁷⁰ Salvatore Mercogliano, "Sealift: A History of American Military Sea Transportation," (Ph.D. dissertation, University of Alabama, 2004), 1-10.

Delich Bentley, and former Secretary of Defense Elliot Richardson proved especially fruitful in illustrating maritime defense policy during the Cold War.⁷¹ In addition, when not classified, the papers of agencies held by the National Archives and Records Administration, such as the U.S. Army's Military Traffic Management Command, the U.S. Department of Commerce, and the Federal Maritime Commission, were similarly illuminating.⁷² As this is a study of select Cold War military operations and policies, many documents are classified or unavailable to scholars without a security clearance. Moreover, military archives such as those of the Naval History and Heritage Command are located at Department of Defense locations now closed to the general or scholarly public. In order to overcome such barriers to research, this study relies on oral histories as well. Interviews conducted by the author with retired military officers, experts in maritime policy, and longshoremen proved to be extraordinarily useful.⁷³ In addition, transcripts of interviews conducted by the Historical Office in the Office of the Secretary

⁷¹ Les Aspin to Helen Bentley, 25 February 1992, Series III, Merchant Marine and Fisheries Subseries, Box 40, Helen Delich Bentley Papers, 1923-2016, Langsdale Memorial Library Special Collections, University of Baltimore Libraries.; Lyman Lemnitzer to John C. Stennis, 29 November 1968, Series 4, Box 81, Folder 10, John C. Stennis Papers, 1901-1995, Congressional and Political Research Center, Mississippi State University Libraries.

⁷² Major General Clarence Lang, Commander, Military Traffic Management Command, to General Andrew Goodpaster, Commander, U.S. European Command, March 15, 1971, General Records, Box 1, ILA Strike Folder, General Records of the Military Traffic Management Command, Record Group 337, National Archives, College Park, MD; Arthur Friedberg to Robert Blackwell, Assistant Secretary for Maritime Affairs, Department of Transportation, March 1, 1977, Program Files, 1971-1982, Box 7, Records of the Maritime Administration (MARAD), Record Group 357, National Archives, College Park, MD.

⁷³ Benjamin Holland (President, International Longshoreman's Association, Beaumont, TX), telephone interview with the author, September 2, 2014.; Russel Honoré, (Lieutenant General [retired], United States Army), Interview with the author, November 15, 2015.; Greg Gardiner, Telephone Interview with the author, March 10, 2012.

of Defense and other sources provide motivations from policy makers, such as David Packard, Richard Cheney, and retired military officers.⁷⁴

In its examination of containerization along the National Security Waterfront, this study ultimately provides a fuller understanding of the results of automation and globalization. According to *New York Times* columnist Thomas Friedman, globalization is and was a “complex international system,” which transformed economics, modes of production, and lifestyles in the late twentieth and early twenty-first centuries.⁷⁵ Typical studies of defense procurement do not delve into labor-management relations or the role of the transportation industry in shaping military policy. Beginning in the late 1950s, the cargo container’s introduction replaced workers deemed criminals, radicals, or obsolete. George Wyatt, a longshoreman at the Norfolk Naval Station in Virginia simply stated, “...back then, when you were a longshoreman, you were the scum of the earth.”⁷⁶ The container’s development was welcomed by private corporations seeking to replace seemingly unsavory and unreliable maritime workers with automated, predictable machinery. In the following six chapters, the consequences of the defense establishment

⁷⁴ Transcript, David Packard, November 9, 1987, interviewed by Albert Goldberg and Maurice Matloff, Historical Office, Office of the Secretary of Defense, 11. http://history.defense.gov/Portals/70/Documents/oral_history/OH_Trans_PackardDavid%2011-9-1987.pdf; George Anderson, oral history, 8; “Dick Cheney-A Heartbeat Away,” YouTube video, 1:27:00, televised by Wyoming Public Television on November 13, 2015, posted by “Wyoming PBS,” <https://www.youtube.com/watch?v=16NqFviGvvE> Accessed on May 14, 2016.

⁷⁵ Thomas Friedman, *The Lexus and the Olive Tree: Understanding Globalization* (New York: Farrar, Straus and Giroux, 1999), ix.

⁷⁶ Transcript, George Wyatt, August 9, 1995, interviewed by Mary Hebert, 40, John Hope Franklin Research Center for African and African American History and Culture, Duke University Libraries, <http://library.duke.edu/digitalcollections/media/pdf/behindtheveil/btvct08072.pdf>.

attuned to currents of globalization and automation act as a cautionary tale for the military, workers, and the general public.

CHAPTER II

“ILA MEANS I LOVE AMERICA”: ORGANIZED LABOR AND THE FORMATION OF THE NATIONAL SECURITY STATE, 1900-1960

Samuel Eliot Morison’s lengthy *History of United States Naval Operations in World War II* reflected not only his first-hand knowledge of wartime events, but also his views and suspicions regarding workers during the war. In his discussion of civilian workers in wartime, Morison criticized merchant mariners as troublesome and over paid. Morison explained that by comparison to naval seamen or “bluejackets,” merchant seamen were accustomed to “loafing half the year.”⁷⁷ Furthermore, Morison stated that “any ship in which a bluejacket serves is his ship, his country’s ship, to be defended with his life if need be.”⁷⁸ By contrast, Morison argued that “to the union-indoctrinated seamen the ship is the owner’s ship, his class enemies’ ship, to whom he owes nothing, and from which he is morally entitled to squeeze all he can. The Navy principle ‘Don’t Give Up The Ship’ did not appeal to merchant seamen.”⁷⁹ Morison’s 1947 allusion to civilian labor as class conscious Marxists or disloyal troublemakers shared a similar tone to newspaper investigations of rumors of criminality on the docks of wartime ports of

⁷⁷ Samuel Eliot Morison, *History of United States Naval Operations in World War II: The Battle of the Atlantic*, (Boston: Little Brown and Company, 1947), 299n.

⁷⁸ Ibid, 299-300.

⁷⁹ Ibid, 300.

embarkation. The New York *Sun* ran a series of sensationalized articles in 1947 and 1948 enumerating the mafia connections of longshoremen on the piers of Brooklyn and the west side of Manhattan. *Sun* writer Malcolm Johnson won the Pulitzer Prize for his series describing the infiltration of the International Longshoreman's Association (ILA) by the mafia. The *Sun* articles linked the ILA with well-known underworld figures, such as Charles "Lucky" Luciano or the Anastasia crime family during the war.⁸⁰ While the *Sun*'s series offered retrospectives of the failures and even crimes of New York's civilian longshoremen during wartime, media from other ports illustrated a completely different story. In contrast to the stories of Marxists and mobsters on wartime docks, the Norfolk, VA, *Journal and Guide* reminded their readers that the "longshoremen were indispensable during the war, they kept the supply lines open."⁸¹

Retrospective opinions of the "last war" and the civilian contribution to the supply effort continued into the later 1940s and 1950s as the next strategic challenge arose. As the United States assumed a position of primacy in the immediate aftermath of the Second World War, fractures in the wartime alliance developed into a schism between the American-dominated West and the Soviet-dominated East. From the mid-1950s onward, planning for defense against the Soviets in Eastern Europe called for a trans-

⁸⁰Malcolm Johnson, *On The Waterfront: The Pulitzer Prize Winning Articles That Inspired The Classic Movie and Transformed the New York Harbor*, (New York: Penguin, 2005), 110-113, 208.; James Jacobs, *Mobsters, Unions, and Feds: The Mafia and the American Labor Movement*, (New York: New York University Press, 2006,) xvii-xviii.

⁸¹"14 Delegates Leave Hampton Roads Area for ILA Annual Meeting," *Norfolk Journal and Guide*, Sept. 1, 1945, C13.

Atlantic supply chain similar to that of the World Wars.⁸² Beyond planning for the emergency resupply of Europe, the U.S. military needed control of sea lanes and civilian maritime workers for operations. Large U.S. occupation forces in Europe and Asia received regular resupply from the Continental United States (CONUS).⁸³

Maritime operations during the early Cold War were influenced by variety of security and commercial trends and concerns from the previous fifty years. Private shipping and military operations merged shortly after the turn of century. Shipping interests, military necessity, and maritime workers occupied the same space in support of American entry into the First World War.⁸⁴ The wartime connection between these three incongruent groups and their respective interests often intersected from as early as World War I until the end of the Cold War. Beginning with the history of shipping and US economic strategy before World War II, this chapter discusses the strategic, technological, and labor concerns of maritime logistics planners from the First World War to the late 1960s. This chapter will also enumerate the sealift plans and capabilities of the Navy in the early 1950s and the role of longshoremen in the early Cold War. In addition, this chapter will then pivot to the disposition of the longshoremen at the end of the war, their roles in the Korean Conflict, and the dual allegations of criminality and

⁸² John Lewis Gaddis, *Strategies of Containment: A Critical Appraisal of American National Security Policy During the Cold War*, (New York: Oxford University Press, 1982), 112-113.; Andrew Gibson and Arthur Donovan, *The Abandoned Ocean: A History of United States Maritime Policy*, (Columbia, SC: University of South Carolina Press, 2001), 242-243.

⁸³ Gibson and Donovan, *The Abandoned Ocean*, 243.

⁸⁴ Salvatore Mercogliano, "Sealift: The Evolution of American Military Sea Transportation", (PhD Dissertation, University of Alabama, 2004), 1-7.

communism.⁸⁵ The easily maligned longshoremen and overblown fears of their negative impact on shipping in peace or war led to new technologies designed to limit their involvement in logistical support. The backlash against McCarthyism removed the fears of “Reds” on the piers, but the fear of criminality persisted after federal investigations, such as the Kefauver and McClennan Hearings.⁸⁶ The interests of workers, private shipping concerns, and military operations intersected during the early years of the Cold War.

Beginning in the late 1950s, lower tariffs and expansion of global trade coupled with fears of maritime labor to drive technological innovations in transportation. The development of the standardized, modular cargo container for cheaper shipping costs resulted in the partial automation of docks by the late 1950s. The inventor of the “box” claimed that the container’s steel construction deterred theft and that uncooperative labor would become a distant memory in the shipping industry.⁸⁷ This chapter argues that overblown fears of criminal and radical maritime workers coupled with lower shipping costs accelerated adoption of the cargo container by military shippers.

Studies featuring longshoremen or maritime workers before the Cold War depicted these workers as either villains, heroes, or proxies for organized crime. Apart

⁸⁵ While the history of the maritime economy may not require the *longue durre* method of measuring the causes and effects of human activity, the foreground of late twentieth century developments require a bit of depth.

⁸⁶ John L. McClellan, July 28, 1959, “Statement Before the Subcommittee on Labor of the Committee on Labor and Public Welfare,” John Little McClellan Collection, Political Papers Collection, Riley-Higgenbotham Library Special Collections, Ouachita Baptist University, Arkadelphia, Arkansas. Box 190, Folder 9.

⁸⁷ Marc Levinson, *The Box: How the Shipping Container Made the World Smaller and the World Economy Bigger*, (Princeton, NJ: Princeton University Press, 2006), 56. McLean sold his steel containers “unstealable” contents

from Samuel Eliot Morison's lengthy discussion of how the Pacific War was won, few military historians discussed maritime labor. Salvatore Mercogliano's "Sealift" offers a rare discussion of merchant mariners in military operations.⁸⁸ Studies that did feature longshoremen, such as Bruce Nelson's *Workers on the Waterfront* or Howard Kimildorf's *Reds or Rackets*, follow the older line offered by Samuel Morison, that maritime workers were either truly radicals or thieves. Both works detailed the East Coast-West Coast schism between the International Longshoreman's Association (ILA) and the International Longshore and Warehouse Union (ILWU) in the 1930s and 1950s. Rather than offering a nuanced approach, both works painted the ILA as merely a tool of shipping company owners, too conservative to make any headway in negotiations, or as merely a conduit for mobsters.⁸⁹ Both texts, in essence, championed the ILWU as the legitimate voice of dock workers, but rarely discussed their role in wartime operations. Similarly, former federal prosecutor James Jacobs' *Mobsters, Unions, and Feds* further delegitimized the ILA with a scholarly approach. Jacobs, a former U.S. District Attorney, prosecuted the ILA in New York and New Jersey during the 1980s and 1990s. Far from a detached academician offering critical viewpoints, Jacobs highlighted only the successful prosecutions of longshoremen and other laborers. Rather than a balanced approach, Jacobs regurgitates his case files and cites select judgments against the ILA

⁸⁸ Mercogliano, "Sealift", 1-7.

⁸⁹ Bruce Nelson, *Workers on the Waterfront: Seamen, Longshoremen, and Unionism in the 1930s*, (Champaign, IL: University of Illinois Press, 1988), 7-12.; Howard Kilmindorf, *Reds or Rackets?: The Making of Radical and Conservative Unions on the Waterfront*, (Berkeley: University of California Press, 1988), 2-4. In both cases, the author's champion the cause of the radical or class-conscious longshoremen in the ILWU over the conservative workers in the ILA.

and other unions.⁹⁰ Bruce Levinson, the former journalist-turned-historian, composed the seminal works on the automation of the piers and the coming of Malcom McLean's standardized cargo container. In Levinson's *The Box* and his dissertation, he illustrates the total history of the conception of the cargo container and subsequent social and economic changes from the late nineteenth century until present day.⁹¹ The glaring omission in most of these works is the role of civilian labor in military logistics. Furthermore, the characterization of the longshoreman as a mafia tool, a Communist, a heroic champion for the CIO or, as Samuel Morison explained, "entitled to squeeze all he can" is and was an incomplete picture.⁹² This chapter aims to assess the longshoreman's role in military logistics in the first half of the twentieth century rather than repeat the discussions in previous studies. By contextualizing the work along the piers during military conflicts and at times of technological innovation, this study illustrates a deeper understanding of both the indispensability and the expendability of these civilian workers.

Prior to technological innovations of the twentieth century, such as the cargo container, maritime logistics depended heavily on manual labor. Historian Bruce Nelson described the longshoremen or stevedoring populations as "legendarily rootless and transient." Ordinarily, dock workers were seamen and sailors who settled, married, or

⁹⁰ Jacobs, *Mobsters, Unions and Feds*, 76-79.

⁹¹ Marc Levinson, *The Box: How the Shipping Container Made the World Smaller and the World Economy Bigger*, (Princeton, NJ: Princeton University Press, 2005), 2-15.; Levinson, "More Than A Box: The Economic and Social Implications of an Innovation in Freight Transportation, 1956-2000", (PhD Dissertation, City University of New York, 2009), iv-viii.

⁹² Morison, *History of United States Naval Operations in World War II: Battle of the Atlantic*, 298-301.

were physically unfit for ocean-going lives beyond the age of 35.⁹³ Upon settling, seamen resided in large port cities and still had jobs in the maritime industry, but usually as longshoremen. Irregular working opportunities and dangerous working environments characterized the lives of a nineteenth or early twentieth century longshoreman.

Dangerous conditions included foul weather, hazards of large ships docking, or while loading or unloading of cargo holds aboard ships. Longshoremen manually carried goods to cargo nets, which in turn were loaded in the open holds of ships at dock. Severe injury or death was not uncommon, and the physical demands of the work usually meant that careers were short-lived.⁹⁴

Brutal working conditions and low wages prompted workers to organize for collective bargaining purposes. Frequent uprisings or work stoppages in the late nineteenth century had limited effect on the maritime economy, especially as transient populations of seamen could be recruited to break strikes in port cities. In turn, workers began to organize various, competing waterfront labor unions. By the 1910s, a schism developed between longshoremen affiliated with the more radical Industrial Workers of the World (IWW) and the moderate American Federation of Labor (AFL) union, the International Longshoreman's Association (ILA).⁹⁵ The IWW, known as the

⁹³ Bruce Nelson, *Workers on the Waterfront: Seamen, Longshoremen, and Unionism in the 1930s*, (Urbana, IL: University of Illinois Press, 1993), 2. Life aboard ship in the eighteenth, nineteenth, and twentieth centuries was dangerous and potentially fatal. For more on seamen's lives on the early modern period, see Marcus Rediker, *Between the Devil and the Deep Blue Sea: Merchant Seamen, Pirates, and the Anglo-American Maritime World, 1700-1750*. Longshoreman and stevedore is an interchangeable term. For the purposes of this study, the term longshoreman will be used from here forward.

⁹⁴ Charles Barnes and Pauline Goldmark, *The Longshoremen*, (New York, Survey Associates, 1915), 131-135.

⁹⁵ United States Shipping Board, *Annual Report of the United States Shipping Board: Marine and Dock Labor*, (Washington, DC: Government Printing Office, 1922), 19-28.

“Wobblies”, frequently turned to radical behavior during labor negotiations. American involvement in the First World War and the confrontational and occasionally violent methods of the “Wobbly” union alienated a large number of workers. Government and employer interdictions of radical labor ultimately spelled the end of the IWW as a presence on the waterfront. The image, however, of the longshoreman as a potential radical remained. Novels, films, and sensational newspaper stories described the docks as nests of communism in an era when both political officials and employers feared a radicalized labor class.⁹⁶

Most longshoremen came from immigrant groups feared by the political and economic elite, which exacerbated mistrust of workers on the docks. In the ports of New York, Philadelphia, and New Orleans, Italian and Irish-Americans comprised the vast majority of maritime workers. In Baltimore and the Great Lakes, newly arrived Eastern Europeans made up the majority of workers.⁹⁷ With longshoremen coming from largely ethnic communities, stereotypes common in the era contributed to the already low opinion of maritime labor. The fear of Irish workers harboring anti-British sympathies

⁹⁶ Peter Cole, *Wobblies on the Waterfront: Interracial Unionism in Progressive Era-Philadelphia*, (Urbana, IL: University of Illinois Press, 2007), 3-4. Cole’s study admits that the IWW’s longshore union found little support on the Atlantic with chapters only in Philadelphia and Pacific coast ports. For more on pervasive and omnipresent employer and political fears of radicalized workers in the late-nineteenth and early twentieth centuries, see Nell Irwin Painter, *Standing At Armageddon: The United States, 1877-1919*, (New York: W.W. Norton and Company, 1987), ix-xii.

⁹⁷ Nelson, 83. In Manhattan, the majority Irish neighborhood of Chelsea abutted the piers of the west side along the Hudson River. In Brooklyn, the Italian neighborhood of Red Hook sat on the shores of the East River. Local neighborhoods of immigrants frequently contributed workers to the maritime industry. For more on the demographics of early New York, see Edwin Burroughs and Mike Wallace, *Gotham: A History of New York to 1898*, (New York: Oxford University Press, 1998). For more on harbor culture in Baltimore, see Seth Rockman, *Scraping By: Wage Labor, Slavery, and Survival in Early Baltimore*, (Baltimore, MD: Johns Hopkins University Press, 2010). For workers beyond the Northeast, see Eric Arnesen, *Waterfront Workers of New Orleans: Race, Class, and Politics, 1863-1923*, (Urbana, IL: University of Illinois Press, 1993).

or Italians as thieves or radicals frequently graced the pages of newspapers, books, and cartoons. Italians faced similarly these discriminatory assumptions. For example, the rise of the Italian criminal syndicate, commonly known as the mafia or *La Cosa Nostra*, in the early twentieth century conflated Italian workers in the view of the public and media with theft, graft, and corruption.⁹⁸

Mafia figures were ILA members, but, as with most working class communities, the criminality of a few cast the whole population as problematic. Day to day longshoreman hiring in some cases was controlled by an agent of organized crime. For example, a union representative hired longshoremen in gangs of workers for the loading of particular ships. In the case of locals in New York and New Jersey from the 1910s onward, ILA hirers maintained dual union and crime family membership. In addition, theft, while not uncommon on the docks, often became a negotiating tactic for employers. Shipping companies frequently overstated missing cargo statistics in order to drive down wage or benefit demands from workers.⁹⁹ While it became easy to depict the longshoreman as a thief or as part of a “subversive” and/or “criminal” group, labor shortages in the 1910s meant that any workers available to load ships remained employed. The tight labor market prior to American entry into the First World War only

⁹⁸ Jacobs, *Mobsters, Unions, and Feds*, xi, 2-5.

⁹⁹ Levinson, *The Box*, 82. The treatment of whole populations of workers as troublemakers or criminals or members of the “mob” dates to the late eighteenth century. Historians Eric Hobsbawm and George Rude noted that English newspapers described rioters in the late eighteenth and early nineteenth century as the “mob.” Similarly, the mafia figure as a villain and “real” leader of the workers bares resemblance to the mythical leaders of English working uprisings, “King Ludd” and “Captain Swing.” For more, see Eric Hobsbawm and George Rude, *Captain Swing: A Social History of the Great English Social Revolution of 1830*, (New York: W.W. Norton, 1968), 239-249.

highlighted the need for longshoremen. The overabundance of jobs and a limited supply of workers for the industrial buildup prior to the declaration of war affected maritime trades.¹⁰⁰

The declaration of war by the United States in April 1917 demanded an unprecedented logistical capability both at sea and on shore. Atlantic ports lacked the physical and human infrastructure to support the military's mission. With defense plants hiring workers at unprecedented levels, maritime laborers were in short supply along the waterfronts of important ports of embarkation, such as New York and Philadelphia. In the summer of 1917, the U.S. government took drastic measures in order to support the transportation of the American Expeditionary Force (AEF) and its materials to France. The U.S. Shipping Board, a civilian agency created by the federal government in 1917 to manage wartime maritime transportation needs, seized total control of all shipyards, including hundreds of commercial ships then under construction. The federal government also seized any German ships in American waters. Federal intervention quickly provided the United States with a physical infrastructure for transit of the AEF across the Atlantic.¹⁰¹

Similarly, federal intervention also meant federal agents scrutinizing workers along the docks and piers of the major East Coast ports of embarkation. At the two largest wartime ports, New York and Norfolk, the pervasive fear of saboteurs, and

¹⁰⁰ Allan R. Millett and Stephen Maslowski, *For the Common Defense: A Military History of the United States of America*, (New York: The Free Press, 1994), 294.

¹⁰¹ Edward N. Hurley, *The Bridge to France*, (Philadelphia: J.B. Lippencott, 1927), i-ix. Hurley's role in the war, as the chair of the Shipping Board, illuminates this volume.

potentially troublesome workers lurking in the midst of the civilian workforce during World War I led to the exclusion of labor organizations deemed untrustworthy by the Shipping Board. Shipping Board agents and maritime firms arbitrarily added workers to lists of “unhireables” on political or ethnic grounds.¹⁰² The radical language and organizing activities by the IWW drew the attention of federal investigators. Any worker or group suspected of potential radical ties, such as the IWW, became excluded from wartime work. In the vacuum left by the decline of the IWW, the International Longshoreman’s Association filled the void and accepted membership of thousands of unrepresented workers. The ILA became the largest waterfront union during the First World War.¹⁰³ In order to differentiate themselves from their radical competitors and to maintain their position as the primary waterfront union, ILA organizers used the slogan “ILA means I love America.” This slogan, while a rhetorical tactic, became a core principle for the ILA and a defense against criticism in subsequent decades. With unacceptable labor unions excluded from wartime hiring, the ILA’s status as the last waterfront union standing ensured their presence on the postwar docks as well.¹⁰⁴

¹⁰² Lewis, *In Their Own Interests*, 127.

¹⁰³ *Ibid*, 128-134.

¹⁰⁴ Mark Lincoln Chadwin, “The Longshoreman: From Wharf Rat to Lord of the Docks,” *Oceanus: The Journal of the Woods Hole Oceanographic Institution*, Vol. 32, No. 3, (Fall 1989), 54-61.; J.M. Pawa, “The Search for Black Radicals: American and British Documents Relative to the 1919 Red Scare,” *Labor History*, Vol. 16, No. 2, (1975), 273-276.; “Strike Threat Answered,” *Norfolk Journal and Guide*, Sept. 11, 1937.; Earl Lewis, *In Their Own Interests: Race, Class, and Power in Twentieth Century Norfolk, Virginia* (Berkeley: University of California Press, 1991), 146. Suppressed unions, including the IWW, allegedly had ties to German agents at the ports. For more on suspicion of German sabotage and extralegal preventative measures conducted by government agencies in the aftermath of the Black Tom Island munitions explosion, please see David Kennedy, *Over Here: The First World War and American Society*, (New York: Oxford University Press, 1980), 80-87.

Shortly after the end of the war, the federal government dismantled much of its sealift infrastructure by targeting union labor. Defense work provided high wages for all workers on the home front, which was one of the first components dismantled following the war. Post-war downsizing similarly affected the merchant fleet assembled to supply the war effort in Europe. The rapid expansion of U.S. flagged shipping in order to maintain sea lanes glutted the market when wartime operations ended. The federal government saw no immediate need to maintain any sealift apparatus in place following the First World War. Few planners foresaw any need to supply a long-term expeditionary force overseas.¹⁰⁵ While the war ended and the government dismantled large parts of the sealift fleet, ship owners continued to pay wartime wages to workers, both at sea and on shore. On average, mariner wages rose 20 percent from 1914 to 1919. In order to adjust to peacetime budgets, Wartime Chief of Naval Operations, Admiral William Benson, retired in 1919 and led the postwar remnant of the Shipping Board. Admiral Benson argued for a 15 percent across the board wage cut. Benson stated that the high wages “[have] been subject to such notorious abuses...it [the wage increases] should be virtually eliminated.”¹⁰⁶ The Shipping Board and Benson colluded with ship owners to drive down wages, with Benson stating that higher wages or better conditions were tantamount to “graft.”¹⁰⁷ Legislative or administrative initiatives targeting wages or conditions became a frequently used tool to attack workers in subsequent decades.

¹⁰⁵ Mercogliano, “Sealift,” 201.

¹⁰⁶ “Shipowners and Government United to fight Labor Gouge,” *The Marine Journal*, April 30, 1921, pg. 11.

¹⁰⁷ *Ibid*, 11.

The Jones Act, however, provided a pro-labor regulatory counterpoint to wage reductions and preserved at least a core of seafaring infrastructure. The Merchant Marine Act of 1920, commonly known as the Jones Act because of progressive congressman Wesley Jones' sponsorship, specified that only American-flagged ships could operate inside the coastal boundaries of the United States.¹⁰⁸ Both protection of organized labor and nativism informed this specification. A fear of foreign labor undercutting wages, as well as a resurgent fear of newly arrived immigrants inspired Jones' Merchant Marine Act.¹⁰⁹ The registration of ships to a country and flying a national flag meant that the ship operated under the laws of that particular country. The Jones Act compelled commercial shipping firms doing business in U.S. waters to register their ships as American-flagged, but also required at least 75% of the crews be U.S. citizens.¹¹⁰ The legal and citizenship provisos meant crews who worked on ships in U.S. waters belonged to labor unions or were at least under U.S. legal protections. Once Admiral Benson and the Shipping Board proposed cutting wages for these crews, 40,000 seamen and hundreds of thousands of longshoremen struck simultaneously. In response to the collective action of the nation's maritime workers, the Shipping Board recanted its suggested wage cuts. In addition, the pressure brought to bear by way of strikes or other labor stoppages by the collected

¹⁰⁸ The internal waters of the United States meant ships travelling from American port to American port. This trade, known as cabotage, included outlying islands owned by the United States, such as Puerto Rico and Hawaii.

¹⁰⁹ Public Law 66-261, 44 Stat. 88 (1920).

¹¹⁰ Robert Force and A.N. Yiannopoulos, *Admiralty and Maritime Law, Volume II*, (Washington: Beard Books, 2006), 139-141.

maritime workers ensured that both union seamen and longshoremen survived into the 1920s and beyond.¹¹¹

Strikes and high wages provided the spark for innovation with new technologies, but most maritime commerce still depended on longshoremen. Manufacturing expanded greatly during the 1920s and, in turn, drove innovations. New inventions included the New York Central and Pennsylvania Railroad's steel cargo containers, which could be loaded by forklift onto flat railroad cars at railroad hubs. Developed to minimize pilferage and increase the speed of loading, the small crate-sized containers did neither. In addition, boxes differed greatly from company to company, and standardization proved elusive for competing rail lines.¹¹² The maritime shipping industry, on the other hand, did not develop metal containers for durability, speed, or theft-prevention until after World War II. The docks maintained the practice of small boxes loaded into cargo nets and lifted into ships for loading by manual laborers. As a result, during the interwar years, the numbers of workers on the waterfront grew with the burgeoning shipping economy. Exports from the United States greatly increased during the 1920s, which similarly expanded the requirements for maritime workers on the docks and aboard ships.

¹¹¹ Nelson, *Workers on the Waterfront*, 52-57. Nelson highlights this episode as an early sign of a split between the ILA on the Atlantic coast, which ended the strike early once the Shipping Board made concessions, and the Pacific coast locals, which fought until the bitter end. The focus of Nelson's work is on the remnants of the "Wobblies" that formed the ILWU. The focus of this dissertation, however, is on the defense planning and the East Coast ILA's role in possible operations. Of course, no method of technology existed in the early 1920s that could replace these striking workers. It is worth noting, however, that the rapidity in development of the forklift and faster cranes followed this strike. For more, see Levinson, *The Box*, 34.

¹¹² "Uniform Containerization of Freight: Early Steps in the Evolution of an Idea," *Business History Review*, Vol. 43, No. 1, (Spring 1969), 84-87. The anonymously written article from the 1920s, presented by the journal as a retrospective, discussed transportation innovations in the rail industry only.

By 1927, the ILA counted nearly 125,000 longshoremen as members, doubling its numbers from earlier in the decade.¹¹³

The unsustainable economics of the 1920s led to collapse and the Great Depression, and the docks turned into a battlefield between union officials and activists. The ILA staged strikes, boycotts, and fought with harbor commissions for employment as the economy worsened into 1932 and 1933. In spite of the hard-fought battles by the ILA's leadership, a large number of rank and file members rejected the union's approach to negotiation. Most felt the leadership failed to win important concessions on wages. The disaffected members also viewed the union's conservative approach to merely preserve jobs as unacceptable.¹¹⁴ In 1934, West Coast ILA locals, under the leadership of ILA Portland local president Harry Bridges engaged in a "Wildcat" strike independent of the national leadership. What started as merely a strike ended in a full schism, which marked Atlantic and Pacific coast workers long after the 1930s.¹¹⁵ The ILA fired Bridges, and he established a competing union, the International Longshoreman's and Warehouse Union (ILWU). The ILWU, more confrontational, but also more successful in terms of gaining meaningful concessions than the ILA, aligned with the Congress of Industrial Organizations (CIO).¹¹⁶ Separately, as a result of the Pacific Coast ILWU's "Wobbler"-style negotiating and strike tactics, the Great Lakes, Atlantic, and Gulf Coast's ILA came

¹¹³ Ibid, 86. According to the article, American manufacturing and export of goods exponentially increased during the 1920. Demand for shipping and the loading of outbound cargoes at American ports similarly increased in the same period.

¹¹⁴ Earl Lewis, *In Their Own Interests: Race, Class, and Power in Twentieth Century Norfolk, Virginia* (Berkeley: University of California Press, 1991), 183-198.

¹¹⁵ Nelson, *Workers on the Waterfront*, 163.; Lewis, *In Their Own Interests*, 201.

¹¹⁶ Mike Quin, *The Big Strike*, (Olema, CA: Olema Publishing Co., 1949), 46.

under increased scrutiny by the government and employers for potential Communist ties by the late 1930s.¹¹⁷

The intensity of the battle for control of the dock highlighted individual financial opportunities available along the waterfront. As economic progress was stunted by the Depression, federal investment in port cities through defense programs drew workers in search of economic opportunities. Beginning in 1940, the Roosevelt administration's conversion of the United States into a wartime economy began with the construction and expansion at pre-existing military and port facilities. The opportunities available for high paying jobs lured rural populations to cities in search of work.¹¹⁸ As the embodiment of those who found work along the docks of the national security waterfront, Earl Gardner was once such worker lured to port cities for the high wages of wartime jobs.¹¹⁹ Born in rural Alabama, Gardner found work as an ILA longshoreman at the docks of the naval base in Norfolk, Virginia. As his son put it, "the war and the ILA provided my family a living wage. That was much more than what any other profession could provide at the time."¹²⁰

Gardner's work as a longshoreman during the Second World War mirrored the stories of others called into civilian service at ports nationwide. Realization by defense

¹¹⁷ Ibid, 47-54.

¹¹⁸James T. Sparrow, "A Nation in Motion: Norfolk, the Pentagon and the Nationalization of the Metropolitan South, 1941-1953" in *The Myth of Southern Exceptionalism*, ed. Matthew Lassiter and Joseph Crespino, (New York: Oxford University Press, 2010), 143-155.; Parramore, Stewart and Bogger, *Norfolk: The First Four Centuries*, 337.

¹¹⁹ Please see the introduction of this study for a complete definition of the "National Security Waterfront."

¹²⁰Gardner, Greg, interview with John Forrest, recording, March 9th, 2012.

planners that a second global conflict was coming and would likely require the movement of men and materials led to a mass-mobilization of maritime resources by early 1941. The Roosevelt administration, concerned about the logistical difficulties of previous military efforts, created several non-military agencies to ensure that materials made their way to the front. In creating agencies such as the War Shipping Administration (WSA), the government merged private enterprise into the military's logistical and material operations.¹²¹ As part of the Roosevelt administration's larger framework for fighting the Second World War, the government fostered a partnership between private shipping firms and organized labor due to military necessity. Private industry as well as the maritime working class profited financially for compliance with Federal directives and military contracts. Workers won wage and working condition concessions to make sure that war materials made their way to the front.¹²² As both manufacturers and shipping firms ensured the flow of military goods to U.S. bases overseas, speed and security became the watchwords for the logistical mission of World War II.¹²³

Wartime necessities led the government to look past older allegations of radicalism and theft by members of maritime unions. The daunting threats of enemy agents or U-Boats interdicting supply convoys to Europe inspired cooperation between federal agencies and unions. The threat of German agents and sabotage on the docks of major ports, including New York, Baltimore, and Norfolk, led to a closer relationship

121 William L. O'Neill, *A Democracy at War*, 75-84.

122 Mercogliano, "Sealift", 119.

123 Robert Coakley and Richard Leighton, *Global Logistics and Strategy: 1943-1945*, (Washington, DC: Office of the Chief of Staff of the Army, 1955), 57-89.

between the military and the ILA.¹²⁴ Concerns regarding sabotage and the placement of the docks on a wartime-footing meant government cooperation with previously unlikely allies. The Office of Naval Intelligence, aware that the ILA had some connections with the criminal underworld, turned the union into an asset and a conduit to mafia leaders. Leaders, such as Charles “Lucky” Luciano and his allies in the Anastasia crime family of New York, provided intelligence and assurances of security on the waterfront. In doing so, the government also empowered the criminal elements within the union.¹²⁵

The fear of sabotage similar to the Black Tom incident of World War I heightened after the destruction of the French luxury liner *Normandie* in 1942.¹²⁶ In 1916, Black Tom Island in New York harbor served as a depot for munitions sold to the British and French during the First World War. Close to Liberty Island and its statue, Black Tom and its munitions stockpile became a target of German agents. Using small fires to ignite the weapons, the German agents triggered a series of massive explosions, which rocked most of New York harbor, killed seven, and engendered a fear of sabotage, which lasted generations.¹²⁷ Stranded in New York after the German invasion and occupation of France, the *Normandie* was appropriated by the U.S. Navy for conversion into a supply

¹²⁴ Longshoremen Looking Forward to Wage Rise,” *Norfolk Journal and Guide*, Sept. 19, 1942, B1. The *Journal and Guide* noted Norfolk’s prominence in war shipping due to “unsavory” activities on the docks of New York and the West Coast. For more on the Mafia/Office of Naval Intelligence connection, see Jacobs, *Mobsters, Unions and Feds*, 52.

¹²⁵ Jacobs, *Mobsters, Unions and Feds*, 52

¹²⁶ *Ibid*, 52.

¹²⁷ “Munitions Explosions Cause Loss of \$20,000,000; 2 Known to Be Dead, Many Missing”, *The New York Times*, July 31, 1916.; Richard Pyle, “1916 Black Tom Explosion Commemorated”, *The Washington Post*, July 30, 2006. The Black Tom incident was judged to be the work of German agents by the federal government.

and troop ship. The *Normandie*, rechristened USS *Lafayette*, burned and sank at its berth on the west side of Manhattan in February, 1942. The fear of sabotage gripped the port of New York following the destruction of the *Normandie/Lafayette*. The government saw a need for ensuring the physical security of supply and troop ships. As a result, the Navy and mafia struck a deal to secure the docks.¹²⁸

With the docks secured by labor and the mafia, the Navy and U.S. Merchant Marine used Atlantic coast ports as a conduit to resupply the American war machine in the European Theater of Operations. Terms of moving the physical materials, longshoremen at the docks operated the cranes, supervised the loading of the ships, and, for the most part, prevented black market pilferage of war materials.¹²⁹ The mass movement of supplies, machinery, and munitions for the troops and allies of the United States proved an indispensable component for wartime success by 1945. After action reports, studies, and statements by wartime leaders such as Dwight Eisenhower and others argued that the logistical superiority of the United States resulted in victory.¹³⁰

¹²⁸ William B. Herlands, Report on Commutation of Sentence, Parole, and Deportation of Charles Luciano, University of Rochester, Rare Books and Manuscript Collection, Papers of Thomas E. Dewey, http://www.lib.rochester.edu/IN/RBSCP/ATTACHMENTS/Series%2013_17_2_Herlands_report.pdf, accessed on November 19, 2014. Both New York State Commissioner of Investigations William B. Herlands and Governor Thomas Dewey stated that Luciano instructed his associates on the waterfront to work with Naval Intelligence to protect the docks and outbound cargo. An added provision to the deal made by the Navy and the National Syndicate required Luciano to intercede with his connections in Sicily during the American invasion of Italy. In turn, Luciano gained release from prison and deportation to Sicily at war's end. For more, see Timothy Newark, *The Mafia At War: Allied Collusion with the Mob*, (London: Greenhill Books, 2007), 90-92.

¹²⁹ Jacobs, *Mobsters, Unions, and Feds*, 54-65. The ILA was in a position of primacy in the port of New York under the Presidency of mafia leader Anthony Anastasio.

¹³⁰ Coakley and Leighton, *Global Logistics and Strategy*, 819. According to Coakley and Leighton, numerous generals and admirals, including Dwight Eisenhower, cited the importance of logistical support

Maritime logistical support aside, the U.S. achieved victory over distant enemies through land warfare rather than strategic sea power. Apart from the battles of Coral Sea and Leyte Gulf, the massing of naval arms with a climactic fleet to fleet engagement rarely occurred in the Second World War. The importance of a major fleet battle, argued by Alfred Thayer Mahan, as well as German, British, and Japanese naval officers who adopted Mahan's perspective, ultimately mattered little in the outcome of the war.¹³¹ The German U-boat strategy to strangle supply lines to Allied positions in Britain, North Africa, and Europe failed to prevent the collapse of the Third Reich.¹³² Japan's failure in the Pacific came in spite of destroying the majority of the capital ships in the American Pacific fleet at Pearl Harbor. Harnessing tremendous natural resources, manufacturing potential, and the labor of soldiers and workers ultimately defeated the Axis and placed the United States in a position of global primacy in 1945.¹³³ Sea lanes, for supplies and to support amphibious landings, ultimately proved the *raison d'être* for naval forces in the Pacific or Atlantic. By war's end, naval planners and members of the officer corps

as a factor in the Allied victory. Coakley and Leighton's study was an official history of the war commissioned by the Joint Chiefs of Staff in 1955.

¹³¹ Ibid, 819. Even at Leyte Gulf or Normandy, the naval component of amphibious landings and ship to ship conflicts mostly occurred as support of the beachheads or supply lines. Mahan's texts became a staple of German, British, and Japanese professional military educations. As an illustration, German Kaiser Wilhelm II quipped the "British Admiralty had not read their Mahan" early in the First World War. Historian James Cable indicated that the Kaiser was mistaken. The interwar period witnessed a deeper adoption of Mahan's perspective of seapower. For more on British and German admiration for Mahan, see Cable, *Britain's Naval Future*, (London: Macmillian, 1983), 15-17. According to naval historian Ronald Spector, the Japanese were "true disciples of Mahan." For more on adherence to Mahan's theories in Japan, see Sadao Asada, *From Mahan to Pearl Harbor: The Imperial Japanese Navy and the United States*, (Newport, RI: U.S. Naval Institute Press, 2013), 1-22.

¹³² Allan R. Millett and Peter Maslowski, *For the Common Defense: A Military History of the United States of America*, (New York: Simon and Schuster, 1992), 394-395, 399.

¹³³ Ibid, 399.

feared the function of the Navy in future conflicts would become secondary to land and air forces, as well as nuclear weapons.¹³⁴ In spite of the depreciation of naval power during the war, the United States maintained its supply ships in peacetime. While the country demobilized and 12 million men and women ceased wearing uniforms, the technological developments, logistical methods, and ships remained active. Instead of complete dismantlement of wartime shipping methods, the United States retained both war ships and cargo vessels. The National Defense Reserve Fleet, the remnant of demobilized wartime shipping, consisted of nearly 2300 ships of all varieties. Maintenance of the reserve fleet, as well as the construction of new ships in 1946 and 1947, represented the uncertainty of what U.S. maritime strategy would be in the late 1940s and into the 1950s.¹³⁵

While maritime strategy remained unchanged, the war's aftermath remade the global economic order. Political elites such as John Maynard Keynes, Henry Morgenthau, and other advisors to the Roosevelt administration proposed new economic institutions to govern the post-war world. Codification of the rules and metrics of production occurred during an economic summit of the Allied powers at Bretton Woods in 1944. The institutions created by Bretton Woods participants included the International Monetary Fund, the World Bank and, the General Agreement on Tariffs and Trade (GATT). GATT ultimately evolved into a series of separate rounds of talks and agreements. For Henry Morgenthau, GATT's removal of tariffs, import duties, and other barriers for

¹³⁴ Ibid, 440, 612.

¹³⁵ Mercogliano, "Sealift," 102.

development ended economic nationalism.¹³⁶ In short, the financial architects at Bretton Woods intended for the postwar economic order to ensure stable growth at all costs.

The outcome of the Bretton Woods conference was ultimately a global economic order created in the liberal, capitalist American image. Rather than a state-centric economic system, the liberal, capitalist marketplace and commodity prices determined the value of products and informed the making of policy. The idealized version of economics without nationalism espoused by Henry Morgenthau at Bretton Woods ran counter to his own words regarding post-war planning. While Roosevelt's Secretary of the Treasury, Morgenthau's wartime rhetoric in favor of an interdependent economic order failed to match his actions in the aftermath of World War II. Morgenthau's mid-war statements argued for a restoration of the pre-war global order. At Bretton Woods, however, Morgenthau proposed the United States parlay its overwhelming military might into a secure economic hegemony after the war.¹³⁷ Shortly after the end of hostilities, the Bretton Woods system spread through the reconstituted economies of Europe. Initially appearing as a variety of humanitarian assistance programs, the Bretton Woods institutions carried with them favorable trade deals for American goods, finished products, and financial influence. Western European economic and physical security concerns during occupation led to a dependency on the United States was an inextricable

¹³⁶ Heather Hofmeister, "Contemporary Processes Of Globalization and Transnationalization," *International Sociology* 23, no. 4 (2008): 480-87. Similar to Wright Mills' "Power Elite" and Paul Koistinen's use of the term "power elite," Hofmeister notes that from a "top-down" perspective, the elite agents of global economics created rules to benefit their profit margins and mitigate the costs of production.

¹³⁷ John Dietrich, *The Morgenthau Plan: Soviet Influence on American Postwar Policy*, (New York: Algora Publishing, 2013), 39-44.

matter for any exchequer or treasurer wanting to do business following World War II.¹³⁸

As the Iron Curtain descended, a more salient point from Churchill's famed "Iron Curtain" speech illustrated the post-war power of economic interdependency. Officially titled the "Sinews of Peace," Churchill's speech proposed an intertwined destiny for both sides of the Atlantic alliance. According to Henry Morgenthau, the "sinews of modern war" were the economic connections of the entire world to the United States. For Morgenthau, the economic stability and interconnectedness of the post-Bretton Woods world ensured security.¹³⁹

After the restructuring of global economics, domestic economics within the United States after World War II benefitted employers over workers. The wartime wage and employment gains achieved by longshoremen, however, failed to continue in peacetime, and labor lost most of the gains acquired during the war. The passage of the Labor Management Relations Act of 1947, commonly known as the Taft-Hartley Act, functioned as the largest contributor to worsening labor conditions. Taft-Hartley stripped labor protections stemming from the Depression-era Wagner Act and National Labor Relations Board (NLRB). The NLRB protected basic worker rights against unfair practices by employers. Taft-Hartley, on the other hand, prevented workers and unions from engaging in wildcat strikes, restricted "closed shops," and allowed states to pass "right to work" laws outlawing the organization of workers.¹⁴⁰ Taft-Hartley ultimately

¹³⁸ Colin Gray, "Harry Truman and the forming of American Grand Strategy in the Cold War, 1945-1953," in William Murray, et. al. *The Shaping of Grand Strategy*, (New York: Oxford University Press, 2011), 210-219.

¹³⁹ Dietrich, *The Morgenthau Plan*, 107.

¹⁴⁰ Harry Alvin Millis and Emily Clark Brown, *From the Wagner Act to Taft-Hartley: A Study of National Labor Policy and Labor Relations*, (Chicago: University of Chicago Press, 1950), 327. Mills, wartime

represented not only a rebalancing of the ledger in terms of labor-management relations, but also a tipping of the scales in favor of management. The act represented a first strike of the post-war battle pitting management and business allies in the government against labor. President Truman vetoed Taft-Hartley, but Democratic members of the House and Senate, who ordinarily supported labor, voted to override Truman's veto. The betrayal of labor by their alleged allies signaled that any gains in economic growth or corporate profits in the post-war economy came at the workers' expense. Taft-Hartley's passage also caused serious consequences within labor unions nationwide. Schisms formed in labor unions on matters of protest or strikes and only harmed the image and solidarity of organized workers.¹⁴¹

Even with American manufacturing at an all-time high and an almost wartime pace of exports, fractures in labor solidarity appeared on the docks.¹⁴² The reduction of available jobs for longshoremen radicalized those recently thrown out of work and created a fissure within the ILA. The ILA's comparatively conservative leadership bristled at attempts by more radical elements within the union to stage walkouts and strikes for a restoration of wartime gains. By 1949, the ILA's internal union elections

chairman of the NLRB, ultimately became critical of unions and "anti-competitive" practices that Depression-era labor laws imposed upon private enterprise.

¹⁴¹ Patrick Renshaw, *American Labor and Consensus Capitalism, 1935-1991*, (Jackson: University Press of Mississippi, 1991), 69-72.

¹⁴² Howard Kimeldorf, *Reds or Rackets?: The Making of Radical and Conservative Unions on the Waterfront*, (Berkeley, CA: University of California Press, 1988), 146.

split members into two camps. . The leadership-aligned electors described themselves as the “blue slate” and named their radical competitors the “red slate.”¹⁴³

The implication of “red” tendencies in the late 1940s and early 1950s did not fall on deaf ears, especially in light of the “Red Scare” and a renewed potential for armed conflict during the early days of the Cold War. The breakdown in U.S.-Soviet relations and the specter of Soviet aggression in Europe led the United States to rearm in the late 1940s. For a potential war with the Soviets, the U.S. developed contingency plans to supply Western European allies with the arms and resources to repel a hypothetical Soviet invasion. The defense plants, shipbuilders, and associated industries remained intact following the war. With a restored emphasis on national security, they resumed production. The fear of conflict and a revival of wartime transoceanic supply lines meant boom times for ILA longshoremen and a return to improved employment and wages. ¹⁴⁴ Speed and efficiency mattered for a hypothetical third European war. American military

¹⁴³ Ibid, 149. The “Blue” slate won handily in all East Coast ports. The ILA’s leadership delegitimize the insurgency in its ranks, described their opponents as the “red slate.” In the early 1950s, this was an obvious allusion to Communist sympathies. With communism used as a frequent slur against labor, this label of “red” delegitimized the radicals. As the radicals never named themselves the “red slate”, the labelling ultimately defeated reformers or militants within the ILA.

¹⁴⁴ “14 Delegates Leave Hampton Roads Area for ILA Annual Meeting,” *Norfolk Journal and Guide*, Sept. 1, 1945, C13.; James T. Sparrow, “A Nation in Motion: Norfolk, the Pentagon and the Nationalization of the Metropolitan South, 1941-1953” in *The Myth of Southern Exceptionalism*, ed. Matthew Lassiter and Joseph Crespino, (New York: Oxford University Press, 2010), 143-155.

policy planners began investigating new methods for fighting and supplying a conventional war across the Atlantic.¹⁴⁵

Folding the formerly autonomous Department of the Navy into the newly created Department of Defense, the U.S. reorganized its war making apparatuses under the National Security Act of 1947. The lion's share of early Cold War financial appropriations went toward the equally new U.S. Air Force and the development of more powerful nuclear weapons. The disparity between naval funding and the newly christened Air Force led to fears by naval officers that their mission and interests would be subsumed by the Air Force if the trend of air power expansion continued.¹⁴⁶ In order to maintain the Navy's share of defense funding and the Army's ability to transport the heavy weapons that aircraft could not handle, the two branches joined forces and established the Military Sea Transportation Service (MSTS) in 1949. Nominally under the control of the Navy and its organizational structure, the MSTS combined military preparedness with organizational efficiency. During the Second World War, dozens of agencies had their own command structure, with military commanders often issuing countermanding orders. The formation of the MSTS pooled the ships, materials, and other resources for potential overseas military operations and streamlined command

145 "14 Delegates Leave Hampton Roads Area for ILA Annual Meeting," *Norfolk Journal and Guide*, Sept. 1, 1945, C13.

146 Mercagliano, "Sealift", 124. In 1949, following the cancellation of the Aircraft Carrier *United States*, five admirals of the US Navy told the *Washington Post* that the Navy was on the verge of becoming just another facet of Sealift strategy rather than a fighting force. A rebellion by pro-defense spending members of Congress shortly followed, and the Navy received its funding and control over several hundred nuclear weapons.

structures. The creation of the MSTS and the strategic challenges of the early Cold War maintained the permanence of maritime logistics in defense planning.¹⁴⁷

The colossal effort involved in the Berlin Airlift became the first test for movement of materials during the Cold War. The daily flights to resupply the besieged West Berlin highlighted both the security and practical requirements for airlift and sealift capability. The Soviet closure of roads and rail lines into West Berlin prompted the Truman administration to convey the food, fuel, and medical supplies by air from U.S. airbases in West Germany. Hundreds of flights delivered nearly 13,000 tons of supplies on a daily basis for months. The limited payload of the ubiquitous C-47 transport plane meant transportation methods other than aircraft would be required for a broader support mission. More importantly, the Soviet closure of transportation conduits with the intention of starving the West out of Berlin could have forced the U.S. and Soviets into a shooting war.¹⁴⁸ In the case of Berlin, only aircraft could maintain supply lines to the city and that was on a limited scale. Sea lanes and merchant shipping would be required for a long term mission of supporting European positions if the Cold War devolved into a military conflict.¹⁴⁹

147 Ibid, 155. Prior to the reorganization, which created the MSTS, the Navy and Army both possessed enormous fleets. The War Shipping Administration and the Naval Transportation Service (NTS) controlled the majority of transoceanic shipping and coordination of resupplying the theaters of war. Transshipment of materials fell under the auspices of the Army Transportation Service (ATS). The merger of the NTS, ATS, and the reserve fleets after World War II ultimately formed the core of the new MSTS. For more, see James A. Huston, *The Sinews of War: Army Logistics, 1775-1953*.

148 “Berlin Airlift Pilots Aim at 10,000 Tons in Day”, *The New York Times*, April 16, 1949.

149 Mercogliano, “Sealift”, 186.

While MSTTS ships, crews, and ports along the Atlantic coast prepared for a rapid resupply of Western Europe in 1949 and into late 1950, North Korea invaded South Korea. Instead of readying U.S. Atlantic ports for resupplying Europe with tanks and fuel in the case of a potential conflict with the Soviets in Germany, the Pacific became the focal point of resupply. The newly created MSTTS also assimilated several commands, dozens of ships, and hundreds of merchant mariners into its organizational responsibilities during the Korean sealift.¹⁵⁰ While the North Koreans overran Allied positions on the Korean peninsula, the MSTTS overcame the incorporation of older commands while resupplying a quickly disappearing South Korea. The West Coast ports of the United States became as important in military terms as Atlantic ports when the Korean conflict illustrated the need for a Pacific-basin oriented strategy for sealift capabilities and rapid replenishment of munitions and other war materials.¹⁵¹

In Korea, the MSTTS relied heavily on the vestigial remnants of the U.S.'s Pacific military supply framework of the Second World War and developed new methods for the purposes of speed and efficiency. As thousands of soldiers, tanks, and pallets of ammunition arrived at U.S. bases in Japan and the South Korean port of Pusan, the MSTTS realized that any resupply mission in the future needed to overcome the backup that developed along the docks in South Korea. Slow discharges from the MSTTS fleet at Pusan created a bottle neck of ships at the piers, sapping forces fending off the North

150 Stephen Ambrose, *Rise to Globalism: American Foreign Policy Since 1938*, (New York: Penguin Books, 1971), 143.

151 Douglas MacArthur, *MacArthur in Japan: The Occupation: Military Phase*, (Washington, DC: Government Printing Office, 1966), 154-155.

Koreans. The items shipped to Pusan in flimsy wooden crates could not withstand the violent seas of the North Pacific and arrived damaged. In addition, longshoremen brought in from the U.S. to handle the materials in Korea damaged the contents of these crates, slowed the process of offloading due to union rules, or allegedly stole military items at the port. Why did the longshoremen damage the contents of the crates? While there was rarely proof of theft, allegations persisted.¹⁵²

Meanwhile, domestic longshoremen came under scrutiny by federal officials. The ILWU, affiliated with the CIO, came under investigation by the Federal government for “radical activities” on the West Coast waterfront. While most CIO affiliates used confrontational tactics by comparison to the AFL, they avoided investigations for radicalism or communist sympathies. Longshoremen, however, failed to escape these investigations. In the 1930s, ILWU officers held dual membership with Communist Party USA (CPUSA), but by the early 1950s, former party members ceased their affiliation. The president of the ILWU, Harry Bridges, occasionally spoke in favor of the CPUSA on the West Coast, but only broadly as a civil liberties concern. Perceived connections to communists in the early 1950s led to mistrust of the ILWU and their radicalism damaged the image of the national CIO.¹⁵³

The investigative apparatuses of the government and elected officials used allegations of communist sympathies to great political effect in the early 1950s. In light

152 Mercagliano, “Sealift”, 172. The after action reports offer little proof of mass graft on the docks in Korea, simply small scale thefts.

153 Nelson, *Workers on the Waterfront*, 270. Even the CIO expelled the ILWU in 1950, during the height of the Red Scare.

of maritime contingency plans supporting European allies or in Korea, the Senate Judiciary Committee turned its investigative attention to the docks because of allegations of communist infiltration. Senator Pat McCarran of Nevada and Internal Security subcommittee member James Eastland of Mississippi held hearings on the longshoremen of the ILA, the ILWU, and members of dozens of other maritime unions. According to McCarran, the committee sought to determine the “nature and intent of Communist influence in the maritime industry and its significance as far as our present and future national security.”¹⁵⁴

The Internal Security subcommittee’s investigation on the waterfronts of major cities used Army intelligence officers on the ground as the eyes and ears of the federal anti-communist offensive. In New York, New Orleans, and dozens of other cities, Army intelligence agents interrogated witnesses and collected evidence against alleged “Red” infiltration of the docks. Benjamin Mandel, widely known as a key figure in the Alger Hiss case, also acted as the Internal Security committee’s liaison to union leadership.¹⁵⁵ With a high-profile communist hunter trolling the waterfront in person and in writing, newspapers began to renew old allegations of radicals on the docks. Public exposure and

¹⁵⁴ Pat McCarran to Frank Pace, September 15, 1952. James O. Eastland Papers, Archives and Special Collections, J.D, Williams Library, University of Mississippi, File 4, Subseries 10, Box 17, Folder 24. McCarran’s connection to investigations of the early 1950s included the Kefauver Commission’s hearings on organized crime and racketeering. McCarran steered Kefauver away from investigating organized crime’s role in gambling, especially in McCarran’s home state of Nevada. Allegations of McCarran’s connections to the Mafia, especially the gambling empire of Meyer Lansky, persisted in both the historical record and fiction. For more, see Jerome E. Edwards, *Pat McCarran, Political Boss of Nevada*, (Reno, Nevada: University of Nevada Press, 1982), 148-151.

¹⁵⁵ Whittaker Chambers, *Witness*, (Washington, DC: Regnery, 1952), 207.; Benjamin Mandel to Pat McCarran, July 28, 1952, James O. Eastland Papers, Archives and Special Collections, J.D, Williams Library, University of Mississippi, File 4, Subseries 10, Box 17, Folder 24. Chambers detailed Mandel’s past and role in the Hiss case as a HUAC investigator propelled him to a modicum of fame in the press.

fear compelled various unions and individuals to offer their support to the Internal Security investigation. Mandel noted that “union officials have asked me to secure a letter from the [committee] formally asking for help and cooperation.” Mandel’s list of cooperating unions included the ILA and the other AFL-aligned waterfront unions.¹⁵⁶ The subcommittee also held highly publicized hearings in port cities as part of their investigation. Senator Eastland’s committee hearings in New Orleans in the mid-1950s highlighted every crank letter, allegation of Communist infiltration of the docks, and even a completely unsubstantiated mafia-Soviet alliance using longshoremen as agents. The ILA alone represented the longshoremen in New Orleans. Even in light of the ILA’s cooperation with the subcommittee’s investigation, hearings regarding every unsubstantiated lead and false report promoted the image of the duplicitous longshoremen.¹⁵⁷

The Internal Security committee’s investigation took place concurrent with another anti-labor investigation by the Senate Committee to Investigate Crime in Interstate Commerce. Estes Kefauver, the chair of the committee and a notoriously

¹⁵⁶ Benjamin Mandel to Pat McCarran, July 28, 1952. James O. Eastland Papers, Archives and Special Collections, J.D, Williams Library, University of Mississippi, File 4, Box 15, Folder 12.

¹⁵⁷ Report of Proceedings, Hearing held before Subcommittee to Investigate the Administration of the Internal Security Act and other Internal Security Laws, of the Committee on the Judiciary: Scope of Soviet Activity in the United States, April 6, 1956, New Orleans, Louisiana. James O. Eastland Papers, Archives and Special Collections, J.D, Williams Library, University of Mississippi, File 4, Box 17, Folder 27. Eastland’s choice for a public hearing, which addressed Communist allegations on the docks of New Orleans, probably had more to do with his opposition to attempts to organize workers in neighboring coastal Mississippi than communist or mafia. Both the AFL and CIO attempted to organize southern workers, most notably with “Operation Dixie.” For more on Eastland’s opposition to labor, see Chris Myers Asch, *The Senator and the Sharecropper: The Freedom Struggles of James O. Eastland and Fannie Lou Hamer*, (Chapel Hill: University of North Carolina Press, 2008), 101-104. For more on the “Operation Dixie,” see Robert H. Zieger, *The CIO, 1935-1955*, (Chapel Hill: University of North Carolina Press, 1995), 227-241.

media-sensitive senator from Tennessee, used subpoena power to call high-ranking organized crime figures to testify before televised hearings. Apart from the testimony of well-known racketeers such as Meyer Lansky and Frank Costello, the inquiries focused on the influence of organized crime in politics and business.¹⁵⁸ Costello, the heir to Charles Luciano's organization in New York, also controlled the Democratic Party's machine known as Tammany Hall. Kefauver, using rhetorical questions and grandstanding during Costello's testimony, implied that the combined influence of Tammany Hall and the muscle of the Luciano family controlled all aspects of New York society.¹⁵⁹ The presence of television cameras cemented a popular perception of direct connections of the mafia syndicate to workers on the docks along the Hudson and East Rivers. This perception only grew when the committee called the president of the largest ILA local in Brooklyn, Anthony Anastasia, to testify. Anastasia simultaneously held the presidency of ILA local and membership in the crime family of his brother, the founder of "Murder, Incorporated."¹⁶⁰

By the mid-1950s, the popularity of investigations into the New York underworld sullied the reputation of legitimate unions and workers and perpetuated the myth that all dock workers had questionable loyalties. While New York accounted for a large share

¹⁵⁸ Estes Kefauver, *Crime in America*, (Garden City, NY: Doubleday, 1951), 2-17.

¹⁵⁹ Jacobs, *Mobsters, Unions, and Feds*, 172-178

¹⁶⁰ "Area May Face Dock Strike, Alston Mum on as ILA Ok's New York Tie-Up," *Norfolk Journal and Guide*, March 27, 1954.; Jacobs, *Mobsters, Unions, and Feds*, 177. "Murder, Incorporated's" notoriety included references in films such as the 1950s films *On the Waterfront* and *Murder, Inc.* The implication that "hitmen" of as mafia executioners controlled the docks had a ripple effect on the ILA nationwide. As evidenced in the *Journal and Guide* article, ILA members across the country defended themselves against mafia connections.

of the national shipping economy, the dozens of other ports along the Atlantic coast remained relatively free of corruption and radicalism. The primacy of New York, however, as the most powerful media transmission point of the era ultimately created a national image that criminality existed on every pier.¹⁶¹ The popular image of the longshoreman in 1950s as a radical or criminal ultimately led to the AFL's ejection of the ILA as a member union in the mid-1950s. George Meany, the president of the AFL, stated that the perception of the union as an extension of the mafia and the longshoreman union's failure to "clean up" their image or membership rolls led to national decertification of the ILA.¹⁶² ILA members, now without a national union, clung to their locals while the AFL organized a competing union, the International Brotherhood of Longshoremen (IBL), with little success. The combined forces of Senate investigation, national decertification, and a persistent image of the sinister longshoreman lingered into the late 1950s. One longshoreman simply stated, "...back then, when you were a longshoreman, you were the scum of the earth."¹⁶³

Proceeding concurrent to developments in the Senate and on the waterfront, public intellectuals began to debate the role of organized labor in the struggle between the United States and the Soviet Union. Writing in 1953, American theologian Reinhold

¹⁶¹ Martin Shefter, "New York City and American National Politics" in *Capital of the American Century: The National and International Influence of New York City*, ed. Martin Shefter (New York: Russell Sage, 1993), 103-125. Shefter compares the *New York Times* and *New York Post* in terms of circulation and influence. Shefter's thesis, that New York was the center of American media. Shefter argued that as the center of American media, events in New York had much more influence and ultimately informed political, social, and economic life nationwide.

¹⁶² Howard Norton, "AFL Council Votes to Oust ILA, Plans New Dock Union," *The Baltimore Sun*, September 21, 1953.

¹⁶³ Transcript, George Wyatt, August 9, 1995, interviewed by Mary Hebert, pg. 40, John Hope Franklin Research Center for African and African American History and Culture, Duke University Libraries, <http://library.duke.edu/digitalcollections/media/pdf/behindtheveil/btvct08072.pdf>

Niebuhr noted that compared to other industrial economies, the United States featured a relatively stable relationship between capital and labor. As a member of the Department of State's planning committee and a titan of American intellectual currents, Niebuhr carried tremendous weight and ultimately shaped policy in the early days of the Cold War. The architect of America's policy of containment, George Kennan, even noted that Niebuhr's influence was so profound that he was "the father of us all."¹⁶⁴ In light of competition with the Soviet Union, Niebuhr argued that organized labor needed a role in the national security of the United States. The policy applications for Niebuhr's vision meant "conceiving a domestic policy which managed to strike a fairly tolerable balance between the perils of injustice in an unregulated economy, and the perils of tyranny...in foreign affairs."¹⁶⁵ Niebuhr's argument was tactically and strategically sound, as organized labor was at the peak of its power and members of unions accounted for a quarter of the nation's workforce in the early 1950s. Indeed, Niebuhr's arguments illustrated that the integral role of organized labor in national security meant jobs in the construction of weapons systems and heavy machinery and in the logistical support of the U.S. military.¹⁶⁶

¹⁶⁴ Alistair J.H. Murray, *Reconstructing Realism: Between Power Politics and Cosmopolitan Ethics*, (Edinburgh: Keele University Press, 1997), 65n.

¹⁶⁵ Reinhold Niebuhr, *Christian Realism and Political Problems*, (New York: Charles Scribner's Sons, 1953), 68-69.; Marcus Raskin, *Politics of National Security*, (New York: Free Press, 1976), 59-61. Niebuhr's chapter on political conservatism and liberalism ultimately calls for balance in national strategy between the impulses of left and right when in political power. At the time of publication in 1953, the inauguration of the Eisenhower administration coincided with conservative Republican control of the House and Senate.

¹⁶⁶ Ibid, 61, Martin Halliwell, *The Constant Dialogue: Reinhold Niebuhr and American Intellectual Culture* (New York: Rowman and Littlefield, 2005), 189-190.; Ann Markuson, et. al, *Rise of the Gunbelt: The Military Remapping of American* (New York: Oxford University Press, 1991), 6. For more on Niebuhr, see Daniel Rice, *Reinhold Niebuhr and His Circle of Influence*, (Cambridge: Cambridge University Press,

Labor's importance in national security has as much to do with their percentage of the general population. Consequently, any changes in labor's leadership and organization had major effects in domestic politics. In 1955, the more conservative AFL merged with the CIO to form the AFL-CIO. The AFL had twice the membership of the CIO, and CIO leaders lost to conservative AFL president George Meany's slate in elections for the new organization. Moreover, the AFL-CIO's new, Meany-aligned leadership shaped the manner in which political statements, electoral support, and even strikes took place in the future.¹⁶⁷

In spite of the conservative approach to politics and protest represented by Meany and the newly formed AFL-CIO, the old charges of radicalism lingered, especially on the waterfront. With allegations of pilferage by *mafioso* coupled with a fear of Marxist radicals shutting down supply chains, the maritime shipping economy looked for alternatives for the sake of safety, efficient management, and profitability in transportation. The corporate world's method of more productivity through cheaper and faster technological innovations was adopted by transportation firms in the late 1950s. Productivity experts such as Frederick Taylor introduced efficient productivity methods by way of repetition or automation as early as the 1890s. By the late 1950s, similar methods of "efficiency" expert W. Edwards Deming set the tone in terms of corporate management.¹⁶⁸ Deming's initial work, which used statistical models to track and

2012), 4-10. According to Rice, George Kennan, Arthur Schlesinger, Jr., Hans Morgenthau, and Felix Frankfurter all credited Niebuhr's teachings in their government service.

¹⁶⁷ A.H. Raskin, "Sea Unions Sink Merger, Destructive Rivalry Is Growing Worse and Ship Units Snuggle Up To Outcasts," *The New York Times*, June 17, 1958, p. 14.

¹⁶⁸ Philip Ross, "Waterfront Labor Response to Technological Change: A Tale of Two Unions," *Labor Law Journal*, Vol. 21, No. 7, (1970), 397-400.

increase productivity in defense plants during World War II, found global adherents looking to duplicate the industrial capacity of wartime production. As a statistician tracking the output of factories, Deming's methodology resulted in maximum productivity and quality of output in a short period of time.¹⁶⁹

Adopting Deming's methods, the commercial shipping industry's concerns regarding labor led to technological innovations designed to minimize human input. Malcom McLean, a trucking magnate from North Carolina, created his empire by shipping cigarettes from factories in Raleigh and Winston-Salem to distribution centers in New York. McLean's awareness of profit maximization led him to seek alternatives to costs accrued by his trucking fleet. Cigarette cartons or any other boxed item fit neatly into trailers. McLean began using cargo containers of a uniform size, made of steel and placed atop truck trailers. The modular, intermodal capability of shipping items or objects found popularity as the interstate highway system slowly opened over the course of the mid-1950s.¹⁷⁰ The reason for the ascent of the container was a simple numbers game; more product shipped at a lower cost meant higher profits and increased efficiency for one's customers.¹⁷¹ McLean's growing company then opened distribution centers in port cities along the Atlantic coast. In 1955, a strike hit the ports of the East Coast, which in turn led to work stoppages along the piers and on the roads leading away from the piers. In response, McLean purchased two MSTs surplus ships and converted them into

169 W. Edwards Deming, *Out of the Crisis*, (Cambridge, MA: MIT Press, 1984), v-vii.

170 "Truck Ships Spur Coastwise Trade," *The New York Times*, March 16, 1956, p. 12.

171 "U.S. Insures First 'Trailer-Ship' Loan For First Time as Defense Boom," *The New York Times*, April 6, 1956, p. 4.

what he called “trailer ships.” McLean’s company, SeaLand, managed his new ships and designed terminals along the East Coast to handle the newly modularized cargoes. In 1956, amid protests by the AFL’s International Brotherhood of Longshoremen and the independent ILA, McLean’s new ship, the *Ideal-X*, departed Port Newark, New Jersey, bound for SeaLand’s terminal in Houston, Texas.¹⁷²

The birth of McLean’s “trailer ship” and the containers storing cargo on-board ushered in the beginnings of automation and the removal of laborers from the shipment of goods. Loading a break-bulk ship in the 1950s cost \$5.83 a ton. Loading the *Ideal-X* cost 15.8 cents a ton. Modular containers and their cost advantages alone indicated that McLean’s experiment worked.¹⁷³ In 1956, however, the lack of technological innovations regarding transportation both inspired the creation and also limited the efficacy of the new container. Cranes for rapidly loading and unloading containers had yet to be developed. The cranes at Port Newark loaded the *Ideal-X* took nearly nine minutes to load every container, nearly the same amount of time as loading break bulk cargo. Failing to alter the speed of ship loading, the container’s anti-pilferage features became the reason for its proliferation. Rapid loading, promised by McLean’s development, ultimately fell by the wayside. Theft prevention became the reason for the proliferation of the container into the late 1950s. Profit margins rose and made McLean’s personal fortune. Building on the momentum of the container’s revolutionary automation potential, he touted “unstealable” transportation of goods any consumer good.

¹⁷² Levinson, *The Box*, 137.

¹⁷³ *Ibid*, 137-140.

Shortly thereafter, consumer products companies in both the U.S. and internationally noticed the positive aspects of the container.¹⁷⁴

By the early 1960s, McLean's method of shipping attracted the attention of the largest mover of goods and supplies in the world, the MSTS. The military's experiments in standardized cargo during the Korean Conflict, which amounted to little more than metal boxes without the intermodality of McLean's innovation, failed and led to future adoption of the "box". The military's experiment, the Container Express (CONEX) cargo container program, initially shipped several hundred containers to the Korean port of Pusan during the war. CONEX failed due to prohibitive costs related to developing a standardized container infrastructure.¹⁷⁵ Once McLean's *Ideal-X* proved the efficiency of a standardized and modular system for shipping, the Navy began to rethink the failures of the past. The Navy developed a prototype ship of their own, a roll-on/roll-off (RO/RO) ship. The RO/RO, named for large roll on or roll off ramps connecting the holds of the ship to the pier, carried tanks, trucks, and other large vehicles. The MSTS's first RO/RO, the *Comet*, was intended to become the first in a new fleet of sealift ships capable of transporting a complete division's equipment at nearly 18 knots to the location of a Cold War flashpoint.¹⁷⁶ Upfront cost concerns for construction of a new fleet and new cargo terminals again ended the MSTS's experiment in building a fleet of RO/ROs or furthering their own container experiments. For the rest of the 1950s and much of the

¹⁷⁴ Ibid, 140.

¹⁷⁵ "NorPac Trooper is a U.N. Carry-All," *MSTS Magazine* (August, 1952), 8-9.

¹⁷⁶ Ibid, 22.

1960s, the MSTs relied on private shipping firms for break-bulk, or non-containerized method of shipping their materials. The majority of the sealift contingency fleet after the failed MSTs containerization experiment remained obsolete relics.¹⁷⁷

Conventional sealift planning, even without the cargo container, found limited support in the government following the development of larger, more powerful nuclear weapons. Costs associated with building arms, training troops, and constructing fleets for a potential conventional Third World War occupied nearly half the Federal budget by 1955.¹⁷⁸ Nuclear weapons, on the other hand, required little construction and maintenance costs beyond the initial investment. According to Defense Secretary Charles Wilson, nuclear weapons provided “more bang for the buck.”¹⁷⁹ By the mid-1950s, the Eisenhower Administration’s building of arms for use against the Soviet Union included the “New Look” and “Massive Retaliation”-based deterrence policies. Air power and the strategic nuclear arsenal received the lion’s share of the defense budget. The buildup of larger, more powerful nuclear weapons not only dominated defense budgets, but also strategic planning for American confrontation with the Soviets. The focus on fleets of strategic bombers and early missile systems for the delivery of nuclear warheads to Soviet strategic targets overruled spending on logistics or other conventional systems.¹⁸⁰

¹⁷⁷ Mercogliano, “Sealift”, 232.

¹⁷⁸ William M. McClenahan and William H. Becker, *Eisenhower and the Cold War Economy*, (Baltimore, MD: Johns Hopkins University Press, 2011), 81-85.

¹⁷⁹ Ibid, 84.

¹⁸⁰ Dwight D. Eisenhower, *The White House Years: Waging Peace, 1956-1961* (Garden City, NY: Doubleday, 1965), 336-339, “MSTS 1957 Arctic Ops and the Northwest Passage,” *MSTS Magazine* (November 1957), 4-5. Late 1950s sealift agencies routinely provided service to broader, usually nuclear

With logistics and warfare altered by the container and nuclear weapons in the mid-1950s, the fundamentals of labor organization similarly changed by the late 1950s. The AFL-CIO's alternative union for longshoremen during the 1950s, the IBL, ultimately failed to replace the ILA on the Atlantic coast. The AFL-CIO approved the readmission of the ILA as a full member of the broader labor community in the summer of 1959.¹⁸¹ Only with the proviso that the ILA purge its less-savory members, especially in the Port of New York/New Jersey, did the AFL-CIO readmit the union. Legislators similarly wanted to purge criminal elements from labor. Senator John McClellan, chairman of the Senate Committee on Investigations, chaired the similar but specific Committee on Improper Activities in Labor. Ostensibly following up allegations of labor corruption, McClellan's investigation instead repeatedly called colorful labor leaders, organized crime "rats," and various other figures to testify before the television audience.¹⁸² McClellan's influence on Capitol Hill allowed him to shape legislation. The new legislative initiative revived the familiar allegations labor's underworld connections. McClellan indicated that while he lacked "expertise on issues of labor and management," he nevertheless crusaded against the "rotten core of unions" in his committee.¹⁸³

warfare-based operations. The MSTs aided in the construction of the Defense Early Warning (DEW) system in the Arctic. Tracking in-bound Soviet nuclear bombers, and then later, nuclear missiles, was the sole purpose of the DEW system. For more on "New Look"-programs, see John Lewis Gaddis, *Strategies of Containment*, 164-169.

¹⁸¹ Jacques Nevarde, "I.L.A. Called Boon to Merged Labor", *The New York Times*, July 14, 1958, p. 5.

¹⁸² John L. McClellan, July 28, 1959, "Statement Before the Subcommittee on Labor of the Committee on Labor and Public Welfare," John Little McClellan Collection, Political Papers Collection, Riley-Higgenbotham Library Special Collections, Ouachita Baptist University, Arkadelphia, Arkansas. Box 190, Folder 9.

¹⁸³ Ibid.

Shortly after McClellan railed against the “bad apples” on the floor of the Senate, he co-sponsored a new bi-partisan legislative initiative led by Democrat Phil Landrum and Republican Robert Griffin. The Labor-Management Reporting and Disclosure Act, commonly known as the Landrum-Griffin Act, ultimately codified the assertions and legislative attacks by Kefauver, McClellan, and numerous other politicians regarding organized labor. Landrum-Griffin’s passage required all unions to report their individual local incomes and expenses to the Department of Labor. The key tenet of the act banned officials with radical or criminal ties from holding office in unions.¹⁸⁴ According to the AFL-CIO, Landrum-Griffin undermined the legitimacy of unions, not only because all financial transactions became traceable, but also because unions viewed the legislation as a weapon against labor. The official press release from the AFL-CIO following the passage of the act stated that “this measure was designed to destroy organized labor.”¹⁸⁵ The *New York Times* cheered passage of the Landrum Griffin Act, which reflected “the growing demand throughout the country for action, and strong action, to curb labor union abuses.”¹⁸⁶ The broad, sweeping stroke of power against organized crime in labor did little to purge mafia elements. Landrum-Griffin’s promised panacea, transparency in organized labor, ultimately failed to drive organized crime out of the union halls.¹⁸⁷

¹⁸⁴ Phil Landrum and Robert F. Griffin, August 4, 1959, “Dear Colleague,” John Little McClellan Collection, Political Papers Collection, Riley-Higgenbotham Library Special Collections, Ouachita Baptist University, Arkadelphia Arkansas. Box 190, Folder 7.

¹⁸⁵ George Meany, August 14, 1959, “Statement by AFL-CIO President George Meany on the Labor Bill Reported by the House Committee on Education and Labor,” John Little McClellan Collection, Political Papers Collection, Riley-Higgenbotham Library Special Collections, Ouachita Baptist University, Arkadelphia, Arkansas. Box 190, Folder 7.

¹⁸⁶ “The Landrum-Griffin Victory”, *The New York Times*, August 15, 1959, Opinion/Editorial, p. 16.

¹⁸⁷ Jacobs, *Mobsters, Unions, Feds*, 189n.

Moreover, publicity related to the legislative and investigative initiatives launched by anti-labor members of Congress had the effect of further degrading the image of labor, especially that of the longshoremen.¹⁸⁸ Even with the rollback of New Deal-era labor gains perpetrated by acts of Congress in the late 1940s and into the 1950s, unions still dominated the working class population in the United States. By 1960, nearly 34% of American workers paid membership dues to labor unions. As a result of Taft-Hartley and Landrum-Griffin, this peak in union membership would never be surpassed.¹⁸⁹

By the end of the 1950s, alterations in labor practices and shipping mirrored the changes in the global political and military order. In the fifteen short years following the end of World War II, pre-war multipolar statecraft gave way to the bipolarity of a U.S. dominated West versus the Soviet-dominated East. The struggle between the United States and the Soviet Union placed the globe on the precipice of a catastrophic Third World War and continued well beyond the conclusion of the decade. U.S. planners, trained to fight conventional wars, grappled with the rapidly changing technologies and implements of warfare during the 1950s. Once U.S. planners developed policies such as the “New Look” or “Massive Retaliation”, the conventional forces of the United States shrank in favor of bombers and missile systems designed to deliver nuclear warheads to Soviet targets. The days of large armies, fleets, and large populations of service members was over.¹⁹⁰ The commercial shipping industry also discovered new methods of

¹⁸⁸ Ibid, 189.

¹⁸⁹ Bureau of Labor Statistics, “Employment Status of the Civilian Noninstitutional Population, 1942 to date” (www.bls.gov/cps.cpsaat1.pdf, accessed on November 22, 2014)

¹⁹⁰ Herman Kahn, *On Thermonuclear War*, (Princeton, NJ: RAND Corporation, 1960), 40-44, Markusen, et. al. *Rise of the Gunbelt*, 39.

delivering products from manufacturers to market in a faster and less labor-intensive process. Malcom McLean's cargo container became an ideal innovation for the proliferation of global trade, yet the ports and facilities to reduce human labor failed to develop as quickly. In terms of military shipping, antiquated fleets of cargo ships and the remnant of World War II's sealift plan formed the core of U.S. strategic maritime planning and capabilities well into the 1960s.¹⁹¹ The early attempts at automation introduced by the 1958 launch of *the Ideal-X* represented the first steps towards a technologically sophisticated method of reducing labor and increasing efficiency on the waterfront. While episodes of sealift support in the 1960s proved the value of longshore work in the military sector, the use of new technology over human capital ultimately found much more popularity in subsequent decades.

¹⁹¹ Roy A. Gano, "Immediate Capability in an Emergency", American Merchant Marine Conference Proceedings, (Washington, DC: The Propeller Club of the United States, 1963), 18-22.; Levinson, *The Box*, 182.

CHAPTER III

FAILURE TO APPRECIATE: ORGANIZED LABOR IN DEFENSE LOGISTICS DURING AND AFTER THE MCNAMARA ERA, 1961-1971

Following the Gulf of Tonkin resolution in 1964, the United States committed to supporting the South Vietnamese government. By the summer of 1966, the expansion of the American commitment to South Vietnam called for hundreds of thousands of troops and materials to support them. Da Nang harbor and its piers proved incapable of handling the influx of cargo ships until a massive construction project dredged the bottom of the port and expanded its dock capacity.¹⁹² Even with the expansion of capacity, a lack of available merchant shipping led to a bottle neck of the supply chain from Naval Support Activity (NSA) Da Nang to supply depots at U.S. naval bases in the Philippines and South Korea. The Department of Defense requested International Longshoremen's Association (ILA) president Thomas Gleason's advice for overcoming the logistical difficulties faced by the U.S. mission in Vietnam. According to Gleason's report, the root of the problems at NSA Da Nang stemmed from both the lack of U.S. flagged shipping and "the fact that certain government agencies do not appreciate the important

¹⁹² *Changes: A History of Naval Support Activity/Facility Da Nang, 1970.* (Washington, DC: Naval Historical Center, 1970), 4. In early 1965, throughput, or the measure of how much cargo passed through a port, was several hundred tons a month. By December 1965, 23,000 tons of materials delivered to Da Nang on a weekly basis.' Roll On/Roll Off (RO/RO) ships had large ramps and flat decks for the transport of tanks, trucks, and other land vehicles. Before containerization, most cargo was break bulk. Break bulk cargo, which was loose or unboxed were loaded and unloaded using large nets and cranes at the pier.

part that shipping and organized labor must play in any sustained military operation.”¹⁹³

Shortly thereafter, the Military Sea Transportation Service (MSTS) contracted Malcom McLean’s Sea-Land Corporation to ship ammunition to Vietnam by cargo container.

ILA workers travelled to Da Nang to train local longshoremen. The long term use of the container and automation, however, bypassed the workers Gleason noted as a solution to the logistical difficulties in a prolonged conventional war.¹⁹⁴

The Department of Defense (DoD)’s lack of “appreciation” for maritime labor or U.S.-flagged shipping in the mid-1960s related to the overwhelming influence of nuclear weapons in strategic contingency planning.¹⁹⁵ Following the election of John F. Kennedy in 1960, his administration planned for less reliance on nuclear weapons compared to President Eisenhower’s “New Look.” The Kennedy administration’s reorientation of weaponry and methods of potential conflict away from nuclear weapons failed to alter American strategy. Even with the conventional arms buildup related to Vietnam, the Kennedy and Johnson administration’s policies for the strategic threats posed by the

¹⁹³ Thomas Gleason, “Report of Special Mission to Viet Nam, President Thomas Gleason of the International Longshoreman’s Association and Special Consultant,” 2, Series I, Subseries B, Box 3, Helen Delich Bentley Papers, Langsdale Memorial Library Special Collections, University of Baltimore, Baltimore, MD. Gleason’s original report to the Department of Defense is often ignored by scholars of containerization. Marc Levinson’s *The Box*, the authoritative study of the cargo container, uses reporter Helen Delich Bentley’s articles in the *Baltimore Sun*, not Gleason’s report.

¹⁹⁴ Ibid, 4.; Marc Levinson, *The Box: How the Shipping Container Made the World Smaller and the World Economy Bigger*, (Princeton, NJ: Princeton University Press, 2006), 122.; Benjamin Holland (President, International Longshoreman’s Association, Beaumont, TX), Telephone Interview with the author, September 2, 2014.

¹⁹⁵ Gleason, “Report of Special Mission to Vietnam”, 6-7; Andrew Gibson and Arthur Donovan, *The Abandoned Ocean: A History of American Maritime Policy*, (Columbia, SC: University of South Carolina Press, 2001), 180-181.; Allan Millett and Peter Masalowski, *For the Common Defense: A Military History of the United States, From 1607 to Present*, (New York: Simon and Schuster, 1994), 555.

Soviet Union remained nuclear.¹⁹⁶ Secretary of Defense Robert McNamara's assumption that airlift could handle the majority of logistical support for the U.S. intervention in Vietnam mirrored broader incorrect assumptions made by the defense establishment regarding weaponry and strategy.

By 1966, "Newport," the Navy's docks located near Saigon, and the newly automated terminal at DaNang received nearly 800,000 tons of ocean shipping a month from the United States. In spite of the flood of materials and support to Vietnam, both the MSTS and its parent commands within the Navy and the DoD failed to heed Thomas Gleason's advice. Private shipping's share of wartime trade to South Vietnam only increased after 1966, and the U.S. Navy's improvements to Da Nang and "Newport" in 1967 included the installation of cranes designed to handle cargo containers.¹⁹⁷ Rather than choosing trained longshoremen, the Navy chose to rely on automation.

The balance between technological innovation to remove labor from the National Security Waterfront and union support of military missions tipped in favor of the container and privatization during the 1960s and early 1970s.¹⁹⁸ In the era of anti-labor legislation and mafia investigations of the 1950s, longshoremen still handled the majority of cargoes to support the broader normal operations of the MSTS.¹⁹⁹ The shift from

¹⁹⁶ Millett and Masalowski, *For the Common Defense*, 558.

¹⁹⁷ Gleason, "Report of Special Mission to Viet Nam," 7.

¹⁹⁸ Borrowing from Marcus Raskin's "National Security State," the "National Security Waterfront" is a conceptual framework invented for this study. The National Security Waterfront were the docks, ships, and workers serving military logistics during the Cold War. For more, see Chapter I of this study.

¹⁹⁹ Salvatore Mercogliano, "Sealift: The Evolution of American Military Sea Transportation", (PhD Diss., University of Alabama, 2004), 143. Normal operations for the MSTS's nucleus fleet and contracted ships included the movement of cargo to U.S. overseas bases in Continental Europe, Japan, and Korea. These cargoes were usually ammunition, food, and the automobiles of service members stationed overseas.

breakbulk to containerized shipping in the private sector preceded and justified the military's use of the box and corporate methods of handling cargo and laborers.²⁰⁰ Ocean shipping of consumer goods from East Asian manufacturing plants greatly altered trade routes and the transportation industry during the 1960s. As a result, the MSTS attempted and failed to catchup with the new economics of automation and containerization. By 1971, the MSTS ceased to exist and its assets transferred to the newly created Military Sealift Command (MSC). The re-organization of the MSTS marked a transition within the Navy to cope with a rapidly changing ocean economy.²⁰¹

The reorganization of the MSTS into the MSC reflected both a change in methods of shipping and a new American defense strategy. In tracing the transition from the early 1960s to the formation of the MSC, this chapter provides a fuller understanding how the commercial maritime economy changed and the military responded. While nuclear weapons dominated planning and expenditures at the Department of Defense, new methods of organizational and financial management altered policy and execution of Kennedy and Johnson administration directives.²⁰² New methods of quantitative management, borne out of business schools during the 1950s, evolved into the sole determinate of which systems and weapons received funding. The intellectual offspring of the management theories of W. Edwards Deming, metrics of analyses such as the

²⁰⁰ Break bulk cargo is items that must be loaded individually into holds of ships. The container ended that practice.

²⁰¹ General Accounting Office, *Improved Use of Cargo Space on Ammunition Ships by Better Planning*, (Washington, DC: Government Printing Office, 1972), 2.

²⁰² Alain C. Enthoven and K. Wayne Smith, *How Much Is Enough?: Shaping the Defense Program, 1961-1969*, (New York: Harper and Row, 1971), 57-63.

“Planning, Programming, Budgeting System” (PPBS) derailed a restoration of conventional abilities of the DoD after the nuclear emphasis of DoD planning in the 1950s. Instead of building up strategic conventional forces in Europe, the United States fought the non-traditional armies of the North Vietnamese and Viet Cong during the 1960s.²⁰³

Deeper conventional commitments aside from Vietnam similarly altered maritime strategy. Rather than updating maritime contingency planning to reflect a transition from the nuclear plans of the 1950s to the conventional emphasis of the Kennedy administration, the defense establishment created a new strategy out of the vestiges of sealift ships and plans, which had remained unchanged since World War II. New technology, including the cargo container, failed to reformulate maritime strategic planning in the navy. The brief upsurge of conventional planning and force deployment during the Vietnam era did not translate into broader, global commitments beyond the late 1960s.²⁰⁴ This chapter also discusses the beginning of the long decline in maritime labor and U.S. oceanic supremacy. At the point of the container’s introduction to military service in the mid-1960s, maritime unions lost a negligible amount of work and jobs. By decade’s end, waterfront jobs began a long decline extending into the 1970s and 1980s. Maritime union membership fell, and worker solidarity within the broad spectrum of maritime unions similarly suffered.²⁰⁵

²⁰³ Ibid, 61-63.

²⁰⁴ Andrew Gibson and Arthur Donovan Donovan, *The Abandoned Ocean: A History of United States Maritime Policy*, (Columbia, SC: University of South Carolina Press, 2001), 107.

²⁰⁵ Anthony Scotto, “Has the Container Bubble Already Burst?”, *ILA Local 1814 Newsletter*, April 8, 1968. Series 1, Subseries B, Box 4, Helen Delich Bentley Papers.

Reorganization failed to maintain a highly efficient strategic sealift ability. The historiographies about maritime defense policy and labor of the 1960s illustrated examples of failures of coping with organizational change or new norms on the national security waterfront. Andrew Gibson and Arthur Donovan argued in the *The Abandoned Ocean: A History of United States Maritime Policy* that the United States failed to develop a cohesive, flexible maritime strategy after World War II. Gibson and Donovan noted that the Kennedy Administration and Johnson Administration neglected to take into account rapid changes in ocean shipping. These changes, in trade routes, new commercial technologies, and the resultant decline in the population of merchant seamen and longshoremen illustrated the broader decline of American maritime policy by the late 1960s.²⁰⁶ Marc Levinson's discussion of the introduction of the cargo container to broader commercial use in the 1960s supported his thesis that the cargo container facilitated trade and the beginnings of "globalization."²⁰⁷ The "Box," however, enabled globalization because it facilitated lower costs in trade across national borders. Lower costs led to a near-universal adoption of containerized trade globally during the 1960s, which in turn further increased the rate and volume of international trade.²⁰⁸

Labor and social historians discussions of the 1960s as the high water mark of union membership similarly discussed the role of automation and globalization in the decline of organized labor, but usually failed to include maritime workers. Jefferson

²⁰⁶ Gibson and Donovan, *The Abandoned Ocean*, 106.

²⁰⁷ Levinson, *The Box*, 14. Levinson defined globalization as economic diffusion regardless of borders. In short, the cargo container and its contents transcended national boundaries and tariff barriers.

²⁰⁸ *Ibid*, 197.

Cowie's prologue in *Stayin' Alive: The 1970s and the Last Days of the Working Class* broadly covers the improvement of workers' wages and rights, from the aftermath of the Taft-Hartley Act to the end of the 1960s. Cowie discusses the beginnings of industrial decline and economic stagnation coupled the broad debasement of organized labor with the rise of anti-labor sentiments in the electorate by the late 1960s. Cowie indicates that the Faustian pact made by the working class in their support of Richard Nixon in the elections of 1968 and 1972 ultimately paved the way for their own extinction. Cowie's broad discussion of the working class, however, concentrated on larger populations of workers in the automobile plants, mining, or other heavy manufacturing industries and not on maritime workers.²⁰⁹

Studies of automation rarely discussed maritime workers, but have covered important trends such as philosophies of productivity and organized labor's role in the broader society. The late David Noble devoted several monographs to the concept of "technological unemployment" in heavy industries. Borrowing from John Maynard Keynes' definition of workers unemployed by technological innovations or automation, Noble's approach to evaluating industry differs from Keynes. Noble's Marxist perspective in both *Forces of Production: A History of Industrial Automation* and *Progress Without People: New Technology, Unemployment, and the Message and Resistance* offers a rather straight forward argument that engineers designed machines to reduce labor at the behest of their employers. In turn, employers began layoffs or

²⁰⁹ Jefferson Cowie, *Stayin' Alive: The 1970s and the Last Days of the Working Class*, (New York: The New Press, 2008), 7, 213.

investing in more technology in order to maximize their profit margins.²¹⁰ Noble includes discussions of worker resistance and his texts provide an interesting framework for the consequences of automation on workers communities. Noble's discussion of workers sabotaging machines as a form of resistance by the laboring classes was far from the minds of the average maritime laborers of the 1960s. They voted, contributed to political parties, attended church, and eschewed radical tactics in their negotiations with shipping associations or the government.²¹¹

Longshoremen and other maritime workers appeared in monographs such as Earl Lewis' *In Their Own Interests: Race, Class, and Power in Twentieth Century Norfolk* and Bruce Nelson's *Workers on the Waterfront: Seamen, Longshoremen, and Unionism in the 1930s*. Both texts highlight the activism of radical workers in places such as Norfolk, Virginia, Mobile, Alabama, and New Orleans, Louisiana.²¹² These works and much of the labor historiography emphasize outlier radical workers rather than the majority of mariners. For the most part, members of seamen's unions or the ILA did not engage in sabotage, nor did they use the language of Marxist or socialist organizers.²¹³ The

²¹⁰ David Noble, *Progress Without People: New Technology, Unemployment, and the Message of Resistance*, (Toronto: Between the Lines, 1995), xiv.; David Noble, *Forces of Production: A Social History of Industrial Automation*, (New Brunswick, NJ: Transaction Publications, 2011), 253, 353.

²¹¹ Greg Gardner (son of longshoreman, Professor of Music, Norfolk State University), Telephone Interview with the author, March 22, 2012; Leszek Kolakowski, *Main Currents of Marxism*, (London: Oxford University Press, 1978), 84, 1209.; Earl Lewis, *In Their Own Interests: Race, Class, and Power in Twentieth Century Norfolk*, (Berkeley, CA: University of California Press, 1988), 10.

²¹² Lewis, *In Their Own Interests*, 9; Bruce Nelson, *Workers on the Waterfront: Seamen, Longshoremen, and Unionism in the 1930s*, (Urbana, IL: University of Illinois Press, 1991), 141. Lewis argues the longshoremen of Norfolk formed a "African American proletariat" identity. While using Marxist terminology, Lewis makes mention that the majority of ILA members retained conservative identities through church and other social institutions.

²¹³ Nelson, *Workers on the Waterfront*, 141-142.

longshoremen this chapter and this study bought into the post-war consensus of consumerism and remained comparatively conservative in their language and tactics throughout the Cold War. In the case of workers on the national security waterfront, this was especially true.

Political appointees of the 1960s informed changes in conventional sealift planning, both in terms of potential North Atlantic contingencies and in Vietnam. The historiography in defense policy of the 1960s failed to discuss sealift or organized labor. Studies of the DoD in the 1960s note the influence of Robert McNamara and events related to the Vietnam Conflict. Allan R. Millett and Peter Maslowski's *For the Common Defense: A Military History of the United States* provides the broad strokes of McNamara's organizational changes at the Pentagon during the 1960s. Perhaps no previous study examines planners and appointees during the 1960s more than H.R. McMaster's *Dereliction of Duty: Lyndon Johnson, Robert McNamara, the Joint Chiefs of Staff, and the Lies that Led to Vietnam*. According to McMaster, the entire national security structure overestimated U.S. capabilities based on flawed statistical models and outright fabrications. McMaster indicated commanders on the ground and in the Pentagon and civilian appointees such as Robert McNamara and W.W. Rostow were guilty of the titular "dereliction of duty".²¹⁴ Especially useful in any discussion of the Department of Defense are the collection of official histories from the Office of the Secretary of Defense's Historical Division. The Historical Divisions biographies of Robert McNamara and Secretary of Defense Melvin Laird provide a total view of defense

²¹⁴ H.R. McMaster, *Dereliction of Duty: Johnson, McNamara, the Joint Chiefs of Staff, and the Lies That Led to Vietnam*, (New York: Harper Collins, 1997), 4-12.

policy. Any peripheral events, political trends, or economic developments, however, fail to receive as much a focus as the intricate methods of defense appropriation or personnel management at the Pentagon.²¹⁵ With the above stated, the intervention this chapter seeks to make in the historiography is a broad discussion of federal and the DoD policies that sought to adopt private sector methods of logistics. The DoD's introduction of private sector methods included automation and removing civilian laborers as much as possible.

An additional goal of this chapter is to offer an interpretative lens of U.S. maritime defense policy and government/labor relations during the 1960s. In *Essence of Decision*, Graham Allison's examination of American and Soviet officials during the Cuban Missile Crisis interpreted government behavior and decision making processes. Among Allison's models, the Organizational Process Model, with ordinal steps explaining both individual and group behavior proves useful for investigating government actions.²¹⁶ First, organizations exist in order to produce a "systematic and harmonious or united action."²¹⁷ Furthermore, organizations are charged with missions based on the capabilities and task at hand. Finally, an agency develops an organizational culture based on its designated capabilities. Individuals employed by such an agency conform to the leadership's policies, practices, and standards.²¹⁸ While Allison applied

²¹⁵ Walter Poole, *Adapting to Flexible Response, 1960-1968*, (Washington, DC: Historical Office of the Office of the Secretary of Defense, 2013), 21-23.; Richard A. Hunt, *Melvin Laird and the Foundation of the Post-Vietnam Military, 1969-1973*, (Washington, DC: Historical Office of the Office of the Secretary of Defense, 2015), 8-11.

²¹⁷ Graham Allison and Philip Zelikow, *Essence of Decision: Explaining the Cuban Missile Crisis*, (New York: Longman, 1999), 143. Allison wrote the original text. Zelikow expanded and edited the text in the late 1990s.

²¹⁸ *Ibid*, 143.

his model to the short term Cuban Missile Crisis over thirteen days in 1962, this chapter aims to expand the temporal scope of this model to several years. With the expanded model, this chapter will argue that from the early 1960s to 1971, defense officials with corporate backgrounds introduced private sector methods into maritime logistics. An alignment with corporate methodology in defense planning furthered the anti-labor stance within sectors of the defense economy. Various political figures of the 1960s pledged to renew or refocus national policy in favor of maritime preparedness and labor.²¹⁹ The implementers of policy and managers of budgets, however, came from corporate backgrounds and ultimately failed to meet these promises. Committed to quantitative rubrics for weapons systems and defense spending in general, civilian policy makers and managers, such as Robert McNamara, Charles Hitch, Alain Enthoven, and David Packard, introduced various private sector reforms to defense planning. The reforms and new programs ultimately represented the early stages of a new organizational culture and process in the DoD, which favored scientific management principles and financial reforms over other considerations, especially human capital.²²⁰ This use of the Organizational Process model will ultimately illustrate the effect of quantitative

²¹⁹ Allison and Zelikow, *Essence of Decision*, 165-174; Gibson and Donovan, *The Abandoned Ocean*, 109. Allison's models and paradigms in his text include the "Organizational Process Model," the "Rational Actor Model," and the "Government Politics Model." This study will use the Organizational Process model as an expositional tool in discussing federal and military maritime policy.

²²⁰ Transcript, David Packard, November 29, 1988, interviewed by Albert Goldberg and Maurice Matloff, 23, Historical Office, Office of the Secretary of Defense, http://history.defense.gov/Portals/70/Documents/oral_history/OH_Trans_PackardDavid%2011-29-1988.pdf

management and technologies such as the cargo container on defense maritime policy during the 1960s.

Robert McNamara's arrival at the Pentagon in 1961 started the long term shift in the Department of Defense's (DoD) organizational culture. McNamara's background of applying statistical analysis to predict outcomes of Army Air Corps missions over Germany in World War II found popularity in the post-war corporate world. Following his success at Ford Motor Company using systems analysis, his ascent to leadership of the automobile manufacturer led to fame.²²¹ According to *BusinessWeek*, the corporate world and politicians viewed McNamara as a "prized specimen of a remarkable breed in U.S. industry-the trained specialist in the science of business management who is also a generalist moving from one technical area to another."²²²

By 1960, McNamara's leadership at Ford attracted the attention of President-elect John Kennedy for his plan to bring large-scale changes in American defense planning. The "New Look" and "Massive Retaliation," cornerstones of the Eisenhower administration's deterrence policy ceased to exist in the Kennedy administration. Rather than adding nuclear weapons to saturate targets inside the Soviet Union, Kennedy's program of "Flexible Response" shifted to other means of strategic confrontation. "Flexible Response" focused on using conventional weapons, targeted smaller conflicts, and not an "all or nothing" response to the Soviet Union. In addition, the Kennedy

²²¹ Phil Rosenzweig, "Robert S. McNamara and the Evolution of Modern Management," *Harvard Business Review*, December 2010. <https://hbr.org/2010/12/robert-s-mcnamara-and-the-evolution-of-modern-management> Accessed August 1, 2015.

²²² Ibid.

administration's national security team believed revolutions in the developing world would be the focal point of conflict in the 1960s.²²³

Pursuant to a plan for smaller wars, Kennedy and McNamara offered a similar pivot in terms of redirecting defense spending from strategic weapons to conventional weapons. Kennedy's agenda included a reevaluation of budgeting and particular focus on emphasizing the "efficiency and economy" of defense spending.²²⁴ Arguing for meaningful reductions in military expenditures in step with "flexible response," Kennedy stated that the "first step most clearly needed" was a reformation in logistics for a new type of American warfare. This reformation called for by Kennedy, however, would be an expansion of American airlift capacity only. "Obtaining additional air transport mobility—and obtaining it now—will better assure the ability of our conventional forces to respond, with discrimination and speed..."²²⁵ Kennedy's opinion that new aircraft as a solution to logistics influenced defense decisions throughout his term.

Influences for Kennedy's planned reform of logistics and defense spending came from numerous sources, but especially from the private sector. Leaders in the defense establishment, such as General Maxwell Taylor and Senator Stuart Symington, argued for reform and centralized management of the Department of Defense.²²⁶ The style and implements of management, however, depended greatly McNamara's choice of

²²³ Millett and Maselowski, *For the Common Defense*, 553.

²²⁴ John F. Kennedy: "Annual Message to the Congress on the State of the Union.," January 30, 1961. Online by Gerhard Peters and John T. Woolley, *The American Presidency Project*. <http://www.presidency.ucsb.edu/ws/?pid=8045>. Accessed August 15, 2015.

²²⁵ Ibid.

²²⁶ Poole, *Adapting to Flexible Response*, 23.

subordinates. Following his confirmation, McNamara appointed individuals from consulting firms for daily management and reform of the military establishment. McNamara filled positions of Assistant or Under Secretaries of Defense at the Pentagon with individuals, such as Charles Hitch and Alain Enthoven, both RAND Corporation economists.²²⁷

Hitch and Enthoven formed the core of the financial reform staff at the DoD and introduced new methods and metrics for planning expenditures. McNamara's directives included the introduction of a new metric of measuring budgetary efficiency, the "Planning Programming Budgeting System" (PPBS). PPBS came from a series of similar proposals by Hitch and Enthoven, which were known as "systems analysis." Proponents of systems analysis, in essence the entire McNamara team, argued that modeling projected likely costs and benefits of any product or effort.²²⁸ In the case of defense spending and purchasing weapons during "Flexible Response," systems analysis determined where newly appropriated funds would be spent and the potential outcome of these expenditures.²²⁹ In his justification of systems analysis and other mathematical metrics, McNamara conceded "that no significant military problem will ever be *wholly* susceptible to purely quantitative analysis." He continued, however, "but every piece of

²²⁷ Ibid, 27. The RAND (Research and Development) Corporation, formed in the late 1940s, is a government and defense sector funded think tank.

²²⁸ Millet and Maslowski, *For the Common Defense*, 555.

²²⁹ Charles J. Hitch, *Decision Making for Defense*, (Berkeley, CA: University of California Press, 1970.), 25-27.

the total problem that can be quantitatively analyzed removes on more piece of uncertainty from our process of making a choice.”²³⁰

PPBS and systems analysis failed to account for all components necessary for military operations or appropriations and required the creation of new paradigms in defense planning. Systems analysis treated manpower or human capital, both military and civilian, as superfluous variables in McNamara’s new approach to spending. Rather, these new metrics measured and projected the “cost effectiveness” of weapons systems, aircraft, and ships, and nuclear weapons under the auspices of systems analysis.²³¹

McNamara’s new approach, known as the Five Year Defense Plan, formed the core of policy and fiduciary decisions over the course of the 1960s and 1970s. Practitioners of systems analysis and other organizational management techniques occupied the majority of appointed accounting positions at the DoD.²³²

Implementation of “Flexible Response” and its aim to provide a comprehensive, ubiquitous defense plan ultimately proved difficult and fool-hardy. “Flexible Response” lacked concrete principles beyond the administration’s desire to pivot away from nuclear weapons and introduce more conventional weapons. The actual implementation of the plan developed over 1961 and 1962 with new budgetary tools such as PPBS. Planning for strategic contingencies in the 1960s, however, also occurred in the inescapable shadow of the thousands of warheads stockpiled in the 1950s. McNamara’s wishes to

²³⁰ Robert McNamara, “Managing the Department of Defense”, *Civil Service Journal*, April-June 1964, no. 2, vol.2, 13..

²³¹ Enthoven and Smith, *How Much Is Enough*, 57-63.

²³² Ibid, 63.

decrease the chances of a catastrophic nuclear exchange with the Soviets ultimately found their way into the planning process.²³³ NATO treaty obligations and defense of Europe occupied most of American post-war concerns regarding Soviet intentions and capabilities. Preparing for smaller wars and conventional responses along with maintaining a viable nuclear arsenal meant “Flexible Response” evolved into an amorphous, poorly defined program to defend the United States.²³⁴

With a business-oriented and conventional revolution underway within the Department of Defense, appointees applied “Flexible Response” to defense logistics. The Kennedy administration’s early management of the DoD brought major changes to defense preparations and operations. Supply and logistics became one of the first components of the DoD’s conventional forces to undergo the scrutiny of system analysis. As “flexible response” and systems analysis transformed the Department of Defense, similar revolutions occurred in the maritime transportation sector. The fleet of US-flagged shipping, still dominated by World War II-era Liberty and Victory ships, drifted towards obsolescence. Break bulk cargo Liberty and Victory ships, built in the thousands during World War II, were all at least 20 years old by the mid-1960s. Technological and engineering innovations in air and road travel in the 1950s failed to translate into new ships on the oceans. While shipping tonnage increased, as did imports and exports at American docks, investment in new technologies or infrastructure in the maritime sector failed to follow.²³⁵

²³³ Ibid, 67.

²³⁴ Ibid, 69.

²³⁵ Gibson and Donovan, *The Abandoned Ocean*, 193-194.

With a renewed commitment to conventional warfare planning in the early 1960s, procurement reform became part of McNamara's agenda at the DoD. Equipping the service branches under the DoD for "flexible response" proved a costly venture, even under the auspices of McNamara's efficient and economic management. Appropriations for expensive new technologies came with new costs and problems. For example, McNamara's demands for cost-concerns as a central determinant for new weapons systems led to the development of new hybrid fighter-conventional bomber aircraft beyond the larger, nuclear-armed B-52 bomber. The F-111, conceived as a catchall attack aircraft intended for use by the Air Force, the Navy, and in numerous combat roles, proved deficient because procuring a common aircraft over-rode functionality. As multi-capability fighter/bomber, the F-111 failed to do either task well.²³⁶ New technology also became a mainstay of the McNamara era. Modernization of existing weapons systems, such as tanks for Europe's defense and new targeting systems of lower-yield nuclear weapons for tactical purposes, came to the forefront of defense policy. With new technology, however, came enormous cost-overruns and operations foibles that marred the cost standards set by the McNamara team.²³⁷ McNamara's concept of standardization guided the formation of shared methods and platforms for the disparate

²³⁶ Poole, *Adapting to Flexible Response*, 385, 405. The multi-mission "dream" role of the F-111 ultimately proved a costly error. According to Poole, the limited effectiveness of the F-111 as a low-level support craft ultimately led to the need for attack helicopters, such as the AH-1 Cobra Gunship, at great expense.

²³⁷ *Ibid*, 16-17. The belief in new technology as one of many cures for defense ills became a frequent source of notorious financial excesses at the DoD. 1961 SSBS estimates for an improvement of the Minuteman Mark II missile guidance system initially came in at \$37 million. By 1965, the actual cost rose to \$265 million. According to Poole, SSBS or systems analysis estimates frequently failed to account for cost factors.

armed services. According to Chief of Naval Operations Admiral George Anderson, standardization became a watchword in the McNamara Pentagon. In the first months of 1961, subordinates to McNamara, including Alain Enthoven, created a uniform method of supplying food to the various services. One measure of standardization included the choice of beans supplied to the services.²³⁸ Anderson's recollection of the matter noted that "with all the big problems they [DoD] had, that was their first standardization..."²³⁹ The Systems Analysis and standardization programs literally led to bean counting, according to Anderson, that detracted from the overall purpose of the DoD.

Similarly, the revival of non-nuclear planning coupled with enormous cost overruns in the early 1960s extended into American sea power. The Eisenhower years featured a focus on delivering strategic nuclear weapons into the Soviet Union, U.S. naval power comparatively fell by the wayside. That is not to say that the Navy ceased to exist or failed to build new ships and new weapons systems, but those expenses were limited to nuclear delivery systems aboard submarines and aircraft carriers. The Kennedy administration's plan, however, went beyond a solely-nuclear weapons presence at for the Navy. New maritime appropriations during the Kennedy years included aircraft carriers, new escort vessels for convoy duty across the Atlantic, and aircraft armed with conventional and nuclear weapons.²⁴⁰ While new shipbuilding became a cornerstone of Flexible Response's conventional orientation, cost overruns in nuclear propulsion

²³⁸ Transcript, George Anderson, interview by Maurice Matloff, 12, May 17, 1984, Historical Office, Office of the Secretary of Defense, http://history.defense.gov/Portals/70/Documents/oral_history/OH_Trans_AndersonGeorge5-17-1984.pdf.

²³⁹ Ibid, 12.

²⁴⁰ Millett and Maslowski, *For the Common Defense*, 523.

occupied a large portion of defense budgets. Vice Admiral Hyman Rickover, known as the “father” of the nuclear Navy, persistently reminded colleagues and officials in private and in the press that only nuclear propulsion could provide a strategic advantage for the United States.²⁴¹ The extraordinary cost of developing new reactors for surface ships, especially the large super carriers, only compounded budgetary issues involved in creating a total, comprehensive defense under the auspices of “Flexible Response.” In order to provide for unexpected cost overruns, Systems Analysis became a catchall measure to identify which projects received full funding while other programs fell by the wayside.²⁴²

While budgets for conventional naval arms increased, financial support for the merchant and cargo fleet failed to match the military fleet. The slow decline of the American merchant fleet started in the mid-1950s and reached a critical point by the early 1960s. Part of this decline was the simultaneous growth of highway systems and air travel for passengers and smaller cargoes. The maritime industry lost traffic to other modes of transportation. Moreover, military planning under the leadership of McNamara at the DoD focused heavily on airlift rather than sealift. As “Flexible Response” required rapidity in deploying conventional forces, cargo aircraft became a top priority.

²⁴¹ Lisle Abbott Rose, *Power At Sea: A Violent Peace*, (Columbia, Missouri: University of Missouri Press, 2006), 53.

²⁴² George Anderson oral history. In his discussion of Systems Analysis practitioners, such as Alain Enthoven and Dieter Schwabs, Admiral Anderson described the budgetary methodology as “something which only caused problems for the Navy.” He also described Enthoven and Schwabs as “termites.” The construction of the first super carrier, the USS *Enterprise*, required the installation of eight submarine nuclear reactors. The *Enterprise* was commissioned in 1965 as showpiece of new technologies and propulsion systems. The *Enterprise*’s nuclear reactors failed propel the ship beyond a speed of 33 knots (nautical miles an hour.) By 1968, just three years after its commissioning, Soviet attack submarines could outpace *Enterprise* in hypothetical wartime conditions. For more, see Lisle Abbott Rose, *Power At Sea*, 53-57.

Development of enormous new cargo planes, such as the C-5 Galaxy or the smaller C-130 Hercules, supplanted sealift improvements. The C-5, however, could not be constructed in the numbers required to support even a short-term mission in totality. The U.S. military could not do without access to a large sealift-oriented fleet for the majority of its logistical support needs.²⁴³

Changes due to innovations such as the cargo container and related automation caused a crisis in American maritime policy by 1964. An obsolete fleet of U.S.-flagged ships and increasing competition from overseas led the Johnson administration to address the disarray in maritime affairs. The Johnson administration created the Maritime Advisory Committee (MAC). The MAC's composition reflected the broad range of agencies involved in maritime affairs, including the Secretaries of Labor and Commerce, shipping and harbor interests, and representatives of the largest maritime labor unions, including the ILA and the ILWU.²⁴⁴ The MAC's mission, to study and recommend appropriate changes to federal regulations and policies related to maritime affairs, amounted to little actual effect on government policy. Competition between labor and industrial interests, as well as disinterest within the Johnson administration mitigated any progress or suggestions offered by the MAC.²⁴⁵

The presence of labor interests on the MAC failed to stem the assault on workers by changes in maritime technology or a benign neglect by the Johnson administration.

²⁴³ Shannon Brown, *Providing the Means*, (Washington, DC: Office of the Secretary of Defense, Historical Office, 2015), 95. Brown provides a comprehensive, if uncritical, discussion of weapons procurement during the McNamara years.

²⁴⁴ Gibson and Donovan, *The Abandoned Ocean*, 194-195.

²⁴⁵ *Ibid*, 195.

As a measure to address the new technologies and economics of the mid-1960s, the Johnson administration created a federal department of transportation. The creation of the new Department of Transportation (DOT) in 1966 included the installation of its first secretary, Alan Boyd. Boyd, as the Undersecretary of Commerce for Transportation in 1964, attempted to end the federal government's US-flagged cargo preference requirement and bypass the Jones Act by allowing foreign flagged ships to serve in the coastwise trade.²⁴⁶ As the first Secretary of Transportation, Boyd proposed ending the federal operating subsidy, which supported Jones Act shipping with government funding. Boyd's actions at DOT so enraged organized labor that on May 21, 1965, workers from the National Maritime Union (NMU) gathered in front of the White House to protest the total failure of the Johnson administration to either enumerate a cohesive maritime policy or defend against the decline of U.S. flagged shipping. The NMU, the AFL-CIO's umbrella for all seafaring unions, included the ILA, as well as merchant mariners aboard U.S.-flagged shipping. In a symbolic act of defiance, NMU protestors heaved two coffins over the fence and onto the White House lawn.²⁴⁷ The unions viewed the Johnson administration's cure for maritime ills to be worse than the illness. The Johnson administration failed to fill appointed positions related to maritime affairs within the new DOT. The position of Maritime Administrator was charged with coordinating federal maritime policy and the civilian and military maritime assets of the government. The

²⁴⁶ Ibid, 195. The Jones Act excluded non-unioned, non-US flagged ships from carrying cargo from US port to US port. Port to port trade within the borders of the United States was called "coastwise" trade. Finally, the U.S. government was required to use available U.S. flagged shipping for all maritime cargoes. For more on the origins of the Jones Act, see Chapter II of this study.

²⁴⁷ "Seafaring Unions Protest Federal Policy," *The New York Times*, May 22, 1965.

office sat empty from 1966 until Johnson's departure from the White House in 1969.²⁴⁸

The Johnson administration had no maritime policy and allowed the industry to go adrift during the mid-1960s.

Government inaction on technological changes such as the development of the cargo container compounded the woes of the maritime industry. By 1961, Malcom McLean's intermodal container transformed shipping routes as consumer goods from within the United States traveled the coast wise trade.²⁴⁹ The "Box" also transported goods from the rebuilding economies of Europe and Asia into American ports. U.S.-flagged shipping firms began to refit their ships for the use of the cargo container. Due to the wave of conversions for containers, the number of break bulk and tanker ships fell precipitously by the late 1960s. Attempting to keep pace with the innovation of the "box," longshoremen initially welcomed the transformation of the waterfront. The Pacific coast's International Longshore and Warehouse Union's (ILWU) president Harry Bridges not only welcomed the cargo container, but stated its arrival would herald a new era that would be safer for workers and lead to higher wages.²⁵⁰

Meanwhile, on the Atlantic coast, the workers and leadership of the International Longshoreman's Association (ILA) failed to display the same enthusiasm as their western brethren. After the construction of the first containership, the *Ideal-X* in 1958,

²⁴⁸ Gibson and Donovan, *The Abandoned Ocean*, 197.

²⁴⁹ "Coast wise" trade refers to ships travelling from city to city within the United States. Ibid, 123.

²⁵⁰ Levinson, *The Box*, 63. The ILWU, repeatedly the focus of various monographs on collective worker identity and their steadfast opposition to management, ultimately towed the shipping industry's line on automation more than the ILA. For more on the ILWU and radical longshoremen, see Bruce Nelson, *Workers on the Waterfront: Seamen, Longshoremen, and Unionism in the 1930s* (Champaign, IL: University of Illinois Press, 1988), 7-12; Howard Kilmindorf, *Reds or Rackets?: The Making of Radical and Conservative Unions on the Waterfront* (Berkeley: University of California Press, 1988), 2-4.

the ILA protested or went on strike repeatedly against the steady increase in containerization and automation.²⁵¹ By the mid-1960s, the ILA began to soften its protests against what they saw as an inevitable march towards the automation of their docks. Their demands for concessions on wages and benefits from shipping associations did not soften, however. By 1965, the strikes had their effect and agreements between the ILA and port shipping associations created a precedent known as the Guaranteed Annual Income (GAI). As automation threatened the number of hours longshoremen could work an incoming ship, the shipping associations pooled funds in order to pay ILA member's the GAI to supplement work shortfalls due to automation.²⁵² The GAI blunted the fear of mass unemployment and wage cuts, but failed to end worker apprehension regarding the future of automation. When polled, two thirds of labor leaders in the mid-1960s described automation as the largest threat to their workers, and even President Kennedy conceded that automation and resulting mass-unemployment was "the major domestic challenge of the [19]60s."²⁵³

²⁵¹ Levinson, *The Box*, 124.

²⁵² Ibid, 124. Shipping associations for a particular port pooled the resources and negotiated contracts of all shipping firms, ships' agents, and customers of the port. There was usually one shipping association in each port. Each port had and has its own association. For example the New York Shipping Association represents all businesses in the shared harbor between the City of New York and Northern New Jersey. The GAI or guaranteed annual income was compensation for non-working, but still employed longshoremen. Shipping associations, or the consortium of ship's agents at each port, paid into the GAI fund and longshoremen drew their compensation for automation. According to Levinson, of the 25,000 unemployed longshoremen in New York Harbor, only 2200 collected a GAI check.

²⁵³ John F. Kennedy: "Statement by the President on Receiving Report on Automation by the Advisory Committee on Labor-Management Policy.," January 11, 1962. Online by Gerhard Peters and John T. Woolley, *The American Presidency Project*. <http://www.presidency.ucsb.edu/ws/?pid=9071>. Accessed on August 14, 2015.

The concessions of shipping associations did not end strikes, however. Waterfront industrial areas, especially on the Atlantic coast in the 1960s, were the last economic strongholds for maritime workers during the age of automation. Shipbuilding and longshore work provided high wages, and stable working-class neighborhoods thrived surrounding the waterfront. High wages available on the docks for the longshoremen, who rarely had educations beyond 9th or 10th grade, allowed for a comfortable lifestyle.²⁵⁴ Longshore and other maritime unions, especially the ILA, persisted as the loudest voice of labor's activities within port cities. As the union's leadership began to gain concessions from employers, the national ILA leadership brokered agreements for the GAI and pooled resources to support political candidates and causes important for worker survival.²⁵⁵ With financial and political clout, the ILA's leadership and members ensured off duty longshoremen remained outside of polling places as poll watchers, while other longshoremen campaigned for the pro-labor candidates on the ballot.²⁵⁶ In retrospect, the children of ILA rank and file members saw their fathers' financial and political gains in the 1960s as "giving us a seat on a desperately needed lifeboat" amidst potentially adverse economic conditions.²⁵⁷ Rather

²⁵⁴ Greg Gardner (son of longshoreman, Professor of Music, Norfolk State University), Telephone Interview with the author, March 22, 2012.

²⁵⁵ Peter Turnbull and David Sapsford, "Hitting the Bricks: An International Comparative Study of Conflict on the Waterfront", *Industrial Relations*, Vol. 40, No. 2, 231-44.

²⁵⁶ "Jimmy Carter 'Overcomes'," *Norfolk Journal and Guide*, November 6, 1976. "Civil Rights Commission Names Brown," *Norfolk Journal and Guide*, September 14, 1979. The *Journal and Guide* article highlighted the presence of the ILA at polling places in cities along the Atlantic and Gulf Coasts from the late 1950s onward.

²⁵⁷ Greg Gardner (son of longshoreman, Professor of Music, Norfolk State University), Telephone Interview with the author, June 18, 2012.

than the lazy or criminal longshoremen looking to engage in graft, the ILA members' side of the story complicated this common perception. Moreover, strikes or a lack of cooperation with shipping associations over automation was a desperate battle to maintain a precarious financial position.²⁵⁸

Episodes, which complicated the narrative of uncooperative longshoremen in support of military missions, came during the longshoreman strikes of 1965 and 1966. Contract disputes with various port authorities on the Atlantic and Pacific coasts resulted in strikes along the waterfront nationwide. The gridlock halted nearly every port in the United States as both the ILA and ILWU refused to unload hundreds of ships waiting at anchor nationwide.²⁵⁹ The only discharges during the strikes had been from ships owned or contracted by the Military Sea Transportation Service (MSTS). According to the ILA and the ILWU, agreements with the MSTS for the orderly flow of military cargo trumped the temporary disputes over wages and working conditions. MSTS ships on both the east and west coasts arrived and departed regularly while the commercial cargo liners affected by the strike remained at anchor.²⁶⁰ The MSTS maintained contracts with the ILA and ILWU separate from the shipping associations of each port. Wages were usually higher than what private industry paid when military ships needed loading or unloading. This

²⁵⁸ Ibid.

²⁵⁹“1,500 Dockers Go To Work,” Norfolk *Virginian Pilot*, February 20, 1965; “Longshore Strike Ends,” *The New York Times*, February 20, 1965.

²⁶⁰ “A Brief Note on Our Appearance,” *Norfolk Journal and Guide*, February 13, 1965. In the *Journal and Guide* explanation regarding ink shortages as a result of the strike, the editors stated that “only the ships of the Navy were loading and unloading at this...port.”

higher wage difference became a point of contention, especially in the mid-1960s, as the United States began its major sealift for Vietnam.

Costs beyond labor coupled with merchant ships operating in a warzone posed financial and insurance liabilities for the DoD as the United States fully intervened in Vietnam. Since the First World War, the U.S. government insured ships conducting operations on behalf of the War and Defense Departments. If an American merchant ship sank under contract with the DoD, the U.S. government not only covered the liability of lost cargoes, but also the lives of the mariners aboard ship.²⁶¹ In the midst of deepening American involvement in Vietnam, the Department of Commerce's National Shipping Authority began to issue orders related to contracts and bidding for military shipping. After April 1, 1965, all ships contracted by the MSTS, ostensibly a DoD agency committed to supplying the intervention in Vietnam, fell under the liability insurance regulations of the National Shipping Authority. Insurance adjusters for the Authority and subcontractors, in compliance with a Department of Commerce order related to marine insurance, began to regulate ships landing at Da Nang and thus added greatly to demurrage on contracts of ships waiting to discharge.²⁶²

Similar complexities in the bureaucracy and regulatory framework of American maritime affairs added to the bottleneck of both military and civilian shipping. The buildup and rapid delivery of materials ashore at Da Nang also had war risk insurance

²⁶¹ Leslie Buglass, *Marine Insurance Claims: American Law and Practice*, (Ithaca, NY: Cornell Maritime Press, 1963), 72-75.

²⁶² Testimony of Vice Admiral Glynn Donaho, Commander, Military Sea Transportation Command, February 5, 1966. Series I, Subseries B, Box 2, Helen Delich Bentley Papers. According to congressional testimony, war risk insurance for MSTS or chartered ships cost nearly \$7 million at the port of Da Nang in November and December of 1965.

consequences. Once merchant ships arrived at Da Nang, supplies were transferred from ship to shallow draft, privately-owned craft called Landing Ship Tanks (LST). The majority of the LSTs were built during World War II, transferred to the Maritime Administration during the late 1940s and early 1950s, but were then purchased by private shipping firms or reactivated by the Navy for wartime use.²⁶³ The World War II-vintage LSTs, numbering close to 1000, represented the bulk of the post-war U.S. flagged merchant fleet.²⁶⁴ The LSTs were among the most frequently used vessels for delivering supplies from staging points in the Philippines and Japan. The LST captains, using ramps and large doors at the bow, grounded the ships on the beaches or enormous concrete ramps. LSTs, designed for repeated grounding and reloading, fell under private commercial marine insurance rules. As the ships technically ran aground in a time of war and delivered weapons and other military materials, the government insured vessels required a lengthy inspection for damage, seaworthiness, and assessment of any potential insurance claims. In turn, inspection times lengthened discharge of cargo at Da Nang and backed up supply lines to staging points in the Philippines and Japan. At the peak of the bottleneck in November 1965, nearly 125 MSTs-contracted ships waited at anchorage

²⁶³ Salvatore Mercogliano, "Sealift: A History of American Military Sea Transportation," (Ph.D. dissertation, University of Alabama, 2004), 254. Demurrage claims, simply the cost overruns related to the delays in port, cost the MSTs nearly \$12 million in 1966 alone. The Department of Commerce regulated maritime transportation. The Department of Transportation, formed in 1967, shared in some regulatory authority with Commerce following its establishment. According to Leslie Buglass, regulations included safe working conditions, wage rates, as well as the amount of insurance each ship and cargo carried. For more, see Buglass, *Marine Insurance Claims*, 65-80.

²⁶⁴ Ibid, 254.

near Saigon and Da Nang to off-load materials. The need for rapid discharge of equipment led to the waiver of insurance rules.²⁶⁵

The bottleneck led the DoD to consult with the experts in cargo loading, the International Longshoreman's Association. Realizing that the port issues jeopardized aspects of U.S. involvement in the Vietnam conflict, the DoD asked ILA president Thomas Gleason to serve as an advisor for improving throughput at Da Nang and Saigon. Gleason, one of the few labor leaders who held membership on the Maritime Advisory Committee, provided a comprehensive report on operations both at sea and on the docks in the Vietnamese ports.²⁶⁶ Apart from his observation that the Navy and the DoD failed to “appreciate” organized labor, Gleason suggested that ammunition and other modular materials could be moved by cargo container. Similar to the ILA and ILWU's acquiescence to containerization in the United States as a negotiating tool, Gleason's recommendation to increase the pace of automation in military missions ultimately removed more workers from the docks in Vietnam.²⁶⁷

The decline of US-flagged shipping compelled the military to consider developing a maritime policy. Vice Admiral Glynn Donaho, commander of the MSTs, testified before Congress in February 1966 that the nucleus fleet of the service could hypothetically supply positions in Vietnam as well as for other national emergencies.

²⁶⁵ Buglass, *Marine Insurance Claims*, 172-174.; Mercogliano, “Sealift”, 266.

²⁶⁶ Thomas Gleason and George Delaney, “Joint Press Conference”, January 21, 1966. Series I, Subseries B, Box 5, Helen Delich Bentley Papers.

²⁶⁷ Thomas Gleason, “Report of Special Mission to Viet Nam, President Thomas Gleason of the International Longshoreman's Association and Special Consultant,” 2. Series I, Subseries B, Box 3, Helen Delich Bentley Papers.

Donaho's testimony also highlighted the age of the 967 ships of the National Defense Reserve Fleet. Most consisted of obsolete and slow World War II vintage Victory and Liberty ships, and the steady decline in U.S.-flagged shipping, according to Donaho, could prove "costly in the future."²⁶⁸ Vice Admiral John McCain, Jr., the commander of Atlantic Fleet's amphibious force, agreed with Donaho by arguing that the United States and the Soviets were already involved in a "total 'wet war'". McCain's evidence of a undeclared naval arms race and a maritime conflict he dubbed a "wet war" included "intense competition in the field of merchant shipping...as well as between navies."²⁶⁹ McCain highlighted the security risks to losing the merchant fleet advantage, both in terms of military power and economic security at home and abroad. Linking merchant shipping and the use of U.S.-flagged ships to the totality of security, McCain closed with a warning from Alfred Thayer Mahan, "The United States must have a national merchant shipping industry to remain strong..."²⁷⁰

The "lack of appreciation" for U.S.-flagged shipping or mariners rarely came from military officers in the 1960s, but from civilian bureaucrats and managers at DoD. The only use of foreign-flagged shipping, according to both McCain and Donaho, should be if there were no U.S.-flagged ships available. The National Maritime Union, the AFL-CIO's umbrella organization for all maritime trades, argued that the MSTS had lied regarding its position on foreign flagged ships in 1965. The National Maritime Union

²⁶⁸ Testimony of Vice Admiral Glynn Donaho, Commander, Military Sea Transportation Command, February 5, 1966. Series I, Subseries B, Box 2, Helen Delich Bentley Papers.

²⁶⁹ John S. McCain, Jr., "Seapower: An Old Concept Renewed," Commander, Amphibious Force Atlantic Fleet, Press Release 1-66, undated. Series I, Subseries B, Box 5, Helen Delich Bentley Papers.

²⁷⁰ Ibid.

alleged that both the MSTs and the DoD awarded several contracts to Japanese and South Korean shipping firms without justification.²⁷¹ By October 1967, longshoreman strikes in the United States and inability of U.S. flagged shipping to shoulder the burden of the sealift commitment in Vietnam led the MSTs to contract with shipping firms employing Japanese and Filipino mariners. The ILA, the National Maritime Union, and other maritime labor organizations protested this practice. The unions argued against subcontracting in order to preserve their livelihoods.²⁷² Noting that the largest Japanese mariner's union publically announced its opposition to the American intervention in Vietnam, the ILA argued against relying upon potential "enemies" of the U.S. mission.²⁷³ The contracting impulse within the DoD coupled with containerization and strengthened in the later 1960s and into 1970s.

The desire for rapid discharge and throughput and the ILA's recommendation of containerization accelerated the MSTs's use of automation in Vietnam. On August 1, 1967, the SS *Bienville*, a containership owned by Malcom McLean's Sea-Land Corporation, arrived at Da Nang with 225 boxes aboard from staging points in Okinawa and the Philippines. The public affairs office for the MSTs and NSA Da Nang heralded the *Bienville*'s inaugural arrival as the beginning of a "new era" of cooperation between private shippers and the DoD for mission support.²⁷⁴ According to the commander of the

²⁷¹ Bernard Raskin, "Press Release by National Maritime Union of America, AFL-CIO", October 23, 1967. Series I, Subseries B, Box 5, Helen Delich Bentley Papers.

²⁷² Ibid.

²⁷³ Ibid.

²⁷⁴ Naval Support Activity Da Nang, "Press Release," August 1, 1967. Series I, Subseries B, Box 5, Helen Delich Bentley Papers.

Freight Terminal at Da Nang, the benefits of the new service using Sea-Land containers would “reduce pilferage, loss and damage, and lower transportation costs.”²⁷⁵ The old specter of civilians pilfering military supplies continued to influence administrators and members of Congress pro-containerization perspective. Robert H.B. Baldwin, a McNamara era Undersecretary of the Navy, argued that containerization of materials going to Da Nang “greatly reduced the risk of pilferage and stevedoring (longshore work) requirements.”²⁷⁶ Baldwin, a graduate of Princeton and a director at Morgan Stanley with “excellent blue-blood credentials” according to the *New York Times*, asserted that standardization of cargo management based on the private sector’s example would “facilitate an economy of operation” for military logistics needs.²⁷⁷ The container’s heralded arrival in Vietnam only increased the desire for more automation throughout the DoD.

1968 became a watershed year for containerization, in the commercial marketplace through government intervention and new regulations. By March 1968, the federal government cemented its use of the cargo container under Public Law 90-268. The statute, which amended the Merchant Marine Act of 1936, required federal and military agencies to standardize the size of containers either purchased or leased. The measure of standardization in the code conformed to dimensions Sea-Land Corporation

²⁷⁵ Ibid.

²⁷⁶ Testimony of Robert Baldwin, Undersecretary of the Navy, Committee on Merchant Marine and Fisheries, July 7, 1967. Series I, Subseries B, Box 6, Helen Delich Bentley Papers.

²⁷⁷ Ibid.; Sandra Salmans, “The Baldwin Era ends at Morgan,” *The New York Times*, December 2, 1983. The article highlighted Baldwin’s efforts to integrate portfolios at Morgan Stanley with rapidly globalizing trade during the 1960s and 1970s.

developed in the late 1950s. In addition, the law encouraged “the development and implementation of new concepts for the carriage of cargo in the domestic and foreign commerce of the United States.”²⁷⁸ Federal Maritime Administrator J.W. Gulick argued in favor of the law’s cargo standardization specifications. Gulick stated that “standardization of intermodal containers has been widely recognized throughout industry...for many years.”²⁷⁹ The private sector method of standardization and the buzzword of “intermodality” appeared frequently in congressional testimony. Gulick argued further that “uniformity is the basic requirement for the development and use of automatic techniques in an efficient transportation or production system.”²⁸⁰

The Johnson administration’s endorsement of container uniformity included placing the private sector’s model for efficiency above all else. The law’s government aid provision required compliance in order for a shipping firm to receive federal subsidies for purchasing newly constructed cargo ships. These subsidies included large, low-interest federal loans guaranteeing U.S. flagged ship construction. Unless a cargo or container ship complied with containerization specifications, however, federal subsidies for new U.S.-flagged ships would not be available.²⁸¹ With a shipping industry emboldened by containerization’s effect on civilian federal policy by the late 1960s, the

²⁷⁸ §U.S. Code 90-268; V.F. Caputo to E.L. Bartlett, Memorandum on DoD Standardization of Cargo Containers, August 7, 1967. Series I, Subseries B, Box 3, Helen Delich Bentley Papers. The 20-foot by 8-foot-by 8-foot “box” became standard and coined a new measurement in shipping known as the “TEU” or twenty foot equivalent. Caputo was the director of Defense Transportation Policy under Assistant Secretary of Defense Cyrus Vance.

²⁷⁹ Testimony of J.W. Gulick, Acting U.S. Maritime Administrator, House Committee on Merchant Marine and Fisheries, October 31, 1967. Series I, Subseries B, Box 3, Helen Delich Bentley Papers.

²⁸⁰ Ibid. Intermodality meant the container could travel by land, sea, or air.

²⁸¹ Ibid.

DoD became the lone sector of the federal government allowed an exception to standard cargo containers. The final section of the Merchant Marine Act's amendment stated that the DoD's exemption came in "a case where the Secretary of Defense determines that military requirements necessitate the specification of container sizes."²⁸² Officials at DoD argued that standardization of government container usage could prove to be foolhardy for military uses. Captain Robert Wrzesinski, director of Legislative Affairs for the Department of the Navy, argued for broader latitude in terms of military shipping "to meet military needs in times of peace or war."²⁸³ The expansion of containerization at Da Nang and throughout the Vietnam conflict, however, proved otherwise. The amendment of the Merchant Marine Act ultimately allowed DoD more choices in transportation and container use, but the overall federal stance in favor of standardization remained in the bill.²⁸⁴

By 1968, longshoremen argued that the entire economy's drift towards standardization of intermodal cargo amounted to a dangerous trend called "container fever." Anthony Scotto, president of ILA Local 1814 in Brooklyn, New York, warned against "adverse effects of containerization on the shipping industry or the cities whose economies are dependent on port commerce."²⁸⁵ Scotto continued to warn against included a promised 50 percent containerization of all traffic coming into the Port of New

²⁸² §U.S. Code 90-268, Sec. 3., Section 2305 (a).

²⁸³ Captain R. Wrzesinski to Edward Garmatz, October 13, 1967, reprinted in "Development of Cargo Container Vessels: Report together with Minority Views", 90th Congress, 2nd Session, Report No. 901.

²⁸⁴ §U.S. Code 90-268, Sec, 3, Section 2305 (a); Mercogliano, "Sealift", 317.

²⁸⁵ Anthony Scotto, "Has the Container Bubble Already Burst?", *ILA Local 1814 Newsletter*, April 8, 1968. Series I, Subseries B, Box 4, Helen Delich Bentley Papers.

York. Scotto reasoned that more containerization could only lead to steep decline in longshoreman employment. A large, highly specialized and trained maritime population, both aboard ships and along the waterfronts, began to wither after the trend Scotto termed “container fever” overtook all sectors of the transportation economy.²⁸⁶

“Container fever” extended into the shipbuilding industry as subsidies attached to container usage ultimately guided attempts to keep the U.S.-flagged fleet alive beyond the 1960s. Widespread adoption of the cargo container by U.S.-flagged shipping firms was dubbed “the great containership race” by *Navy Magazine* in 1966.²⁸⁷ Federal subsidies related to standardization, however, altered how U.S.-flagged shipping attempted to compete in an industry undergoing a paradigm shift. United States Lines, one of the largest completely U.S.-flagged shipping firms, ceased passenger operations in 1968 and became only a cargo and container service. Later that year, United States Lines commissioned its first fully containerized ships, the *American Victory* and the *American Liberty*. Federal subsidies under the new container law paid for the ships’ construction.²⁸⁸ Heralding the “a revolutionary new epoch”, United States Lines’ promoted their new fleet as an instrument for salvaging an American maritime industry that carried less than 10 percent of U.S. imports and exports. As part of the heralded innovations from this fully containerized fleet, United States Lines promised to cut labor costs “in half” while warning that full automation would “cause a ripple effect of mass

²⁸⁶ Levinson, *The Box*, 232.

²⁸⁷ Helen D. Bentley, “The Great Containership Race is on!”, *Navy*, June 1966. Series I, Subseries B, Box 4, Helen Delich Bentley Papers.

²⁸⁸ Jesse Simons, “Press Release,” July 3, 1968. Series I, Subseries B, Box 4, Helen Delich Bentley Papers.

disemployment” at ports nationwide.²⁸⁹ Jesse Simons, the director of labor relations for United States Lines, warned longshoremen and merchant seamen of the changes coming with containerization. “The tumultuous state of maritime labor-management relations, with its correlative sky-rocketing of labor costs, has caused the government to become more reluctant to continue support of an active merchant marine.” Continuing his foreboding tone, Simons closed by stating that “Washington is increasingly weary of lending assistance to resolve the industry’s industrial relations problems.”²⁹⁰

Increasingly automated docks and subsidization compelled U.S.-flagged shippers to adopt containerships as a means of surviving in an increasingly competitive global marketplace. By mid-1968, US-flagged shippers ordered or accepted delivery of 48 new container ships, all subsidized by the Maritime Administration due to amendments to the Merchant Marine Act.²⁹¹ The rapid expansion of containership construction reflected the first steps toward port automation. By the late 1960s, the container trade carried the majority of cargo handled at the largest transshipment points in East Asia, at both sides of the Panama Canal, and at other economic and strategically important ports. Rotterdam, then the largest port in Europe, similarly began its transition to a mostly automated terminal.²⁹²

²⁸⁹ Ibid.

²⁹⁰ Ibid. Simons’ speech came on the eve of contract talks between the ILA and the waterfront commissions of Atlantic and Gulf Coast ports.

²⁹¹ Office of Maritime Promotion, U.S. Department of Commerce, “Containerships Under Construction and On Order in the United States and Foreign Shipyards, Oceangoing Ships of 1,000 Gross Tons and Over,” June 30, 1968. Series I, Subseries B, Box 4, Helen Delich Bentley Papers.

²⁹² Helen D. Bentley, “The Great Containership Race is on!”, pg. 4.

Rotterdam's largest customer, the U.S. Military, began to containerize its cargo as well. As Rotterdam's piers handled the majority of durable and consumer goods bound for U.S. and other NATO bases in Europe, the MSTs began to use the container to supply the hundreds of thousands of troops and airmen stationed in West Germany. According to Undersecretary of the Navy Robert H.B. Baldwin, the financial benefits of the cargo container made sealift "economical...by providing a quicker response and reducing pilferage"²⁹³

The changes introduced by the private sector and the cargo container prompted the defense establishment to hasten its streamlining of military ocean transportation. As the private sector fully adopted the cargo container, the federal government, as one longshoreman described, "followed the lead of the private sector."²⁹⁴ Beginning in March 1966, McNamara and Deputy Secretary of Defense Cyrus Vance planned for a general reorganization of maritime logistics as a result of automation in the ocean transportation environment. Extensive planning and analysis within the DoD produced a series of new memoranda and edicts related to new organizational structures designed to manage DoD's logistics.²⁹⁵ Vance enumerated the most important components of defense maritime affairs, including contracted ships, the various commands related to

²⁹³ Ibid, pg 2.; Mercogliano, "Sealift", 423. One of the MSTs's largest responsibilities during the 1960s was the regular resupply of commissaries at U.S. bases in Europe with everyday consumer goods available at stores in the United States. The MSTs regularly used Rotterdam, Antwerp, and Hamburg to land containerized goods.

²⁹⁴ Benjamin Holland (President, International Longshoreman's Association, Local 1316, Beaumont, Texas), Telephone Interview with the author, February 5, 2012.

²⁹⁵ Robert McNamara, "Memorandum by Secretary of Defense on Mobility Planning and Operations Organization," March 22, 1966. Actions of the National Shipping Authority, March 1, 1962-April 9, 1970; Box 13; U.S. Department of Commerce, Office of the Secretary; Records of the Maritime Administration, Record Group 357; National Archives, College Park, MD.

ocean transportation, and cargos. Missing from Vance's list of required components for future military logistics was labor.²⁹⁶

With "container fever" catching on in all sectors of the maritime economy and the assumption that conventional logistical challenges of the past went away with the container and automation, the federal government reevaluated its transportation needs. The MSTS and DoD attempted to support the Vietnam mission with conventional sealift while the costs of maintaining a conventional U.S. presence in Europe complicated the American strategic defense posture. Succeeding administrations after World War II grew concerned of a conventional battle between NATO forces and the Soviet Union's Warsaw Pact. The geographic focus of the feared confrontation was along the East and West German border or elsewhere in central Europe. The maintenance of nearly ten Army divisions, or nearly 300,000 troops, in Germany, Belgium and the Netherlands strained defense budgets.²⁹⁷ This strained other global MSTS commitments, included supplying positions in Vietnam, and routinely shipped supplies, weapons, and other materials to U.S. overseas military posts.²⁹⁸ The expense of maintaining conventional positions in Europe and Asia, as well as an air, naval, and nuclear arsenal, began to weigh heavily on budgets. The deployment of hundreds of thousands of troops to Vietnam strained the defense budget to the breaking point by 1967. In order to maintain the Johnson administration's commitment to South Vietnam, DoD withdrew two divisions of

²⁹⁶ Ibid.

²⁹⁷ "NATO Forces-1968 Commitments Versus 1971 Goals," Lemnitzer, L.L. Letter to John C Stennis. November 29, 1968, Series 4, Box 81, Folder 10, John C. Stennis Papers, Mississippi State University Libraries, Mississippi State University, Mississippi State, MS.

²⁹⁸ Ibid.

U.S. troops from Europe.²⁹⁹ The transfer constituted 28,000 troops and their equipment, accounting for less than ten percent of the overall U.S. conventional force supporting NATO. The movement of these divisions highlighted the strain that the Vietnam conflict created in the overall U.S. strategy. Similarly, the DoD assumed that a combination of equipment pre-positioning and Atlantic sealift capabilities could handle a rapidly escalating emergency in Europe.³⁰⁰

The withdrawal of conventional troops from Europe alarmed members of Congress because it signaled weakness as a result of deepening commitments in Vietnam. In response to the withdrawal of troops from Europe, Senator John Stennis of Mississippi requested information regarding the time, expense, and requirements for reinforcing NATO positions in continental Europe. According to Assistant Secretary of Defense Frederick Wyle, it would take “several months” to bolster NATO positions in a hypothetical, non-nuclear crisis in Europe. Ten extra Army divisions, the totality of the Atlantic fleet, and nearly 800 combat aircraft could be moved into position in the timeframe enumerated in Wyle’s estimates.³⁰¹ The timeframe of “several months” used by Assistant Secretary Wyle neglected to mention alternatives for rapid relief in a potential conflict.³⁰²

²⁹⁹ U.S. Government, “Department of Defense Appropriations for Fiscal Year 1973, Hearings before the Subcommittee of the Committee on Appropriations, United States Senate, 1972.” (Washington, DC: U.S. Government Printing Office, 1972), 290-392.

³⁰⁰ John C Stennis, “Statements,” May 11, 1967, December 2, 1968, Series 4, Box 81, Folder 10, John C. Stennis Papers, Mississippi State University Libraries, Mississippi State University, Mississippi State, MS.

³⁰¹ “NATO Forces-1968 Commitments Versus 1971 Goals,” Lemnitzer, L.L. Letter to John C Stennis. November 29, 1968, Series 4, Box 81, Folder 10, John C. Stennis Papers, Mississippi State University Libraries, Mississippi State University, Mississippi State, MS.

³⁰² The solution, at least from a training standpoint, was a regular redeployment exercise known as “Reforger.” The bi-annual “Reforger” started with a massive redeployment of troops to western Europe in 1969 following the Soviet invasion of Czechoslovakia. “Reforger” exercises continued until 1993. Please

The American maritime crisis worsened by 1968 in spite of innovations on the waterfront. Increased competition from overseas ocean carriers, improvements in domestic highway construction, and the intermodality of the cargo container led to a collapse in U.S.-flagged shipping and maritime employment. By September 1968, U.S. flagged shipping carried 5.6 percent of imports and exports, the lowest level since the First World War.³⁰³ The post-war nadir of American maritime capabilities paralleled the military's experience in Vietnam. A fervent belief in quantified metrics and efficient processes failed to deliver an assured victory in Southeast Asia. Robert McNamara and his team's assumptions of overwhelming airpower and escalation fell short of their objectives. Even after McNamara's departure from the DoD in early 1968, the core administrators and managers who guided policy remained in positions throughout DoD. The oracles of systems analysis, such as Alain Enthoven and K. Wayne Smith, remained at the Pentagon for the rest of the Johnson term.³⁰⁴ Management theoreticians or statisticians as policy makers outlived presidential terms or individual political appointees. According to historians Allan R. Millett and Peter Maslowski, systems analysts became "the most powerful knights of 'Camelot', the civilian and military officers who marched under McNamara's banner" deep into the 1970s.³⁰⁵

see chapters 4 and 5 of this study for more on the hypothetical relief of NATO in the 1970s and 1980s. For Soviet planning of likely scenarios in central Europe, see David M. Glantz and Harold S. Orenstein, *The Evolution of Soviet Operational Art, 1927-1991*, 115. The Soviets planned for the use of shock troops and rapid movement designed to overrun NATO lines before a relief airlift or sealift could be completed.

³⁰³ Gibson and Donovan, *The Abandoned Ocean*, 307.

³⁰⁴ Enthoven and Smith, *How Much Does It Cost?*, xii.

³⁰⁵ Millett and Maslowski, *For the Common Defense*, 555.

The specter of failed Johnson/McNamara initiatives loomed over the 1968 presidential campaign, both in military and maritime terms. Persistent promises of more troops and spending as a panacea during the Vietnam Conflict proved futile, especially following the Tet Offensive. With CBS News anchor Walter Cronkite declaring the war “unwinnable” after Tet, large portions of the electorate concurred.³⁰⁶ Unfulfilled promises of victory and the high cost of American lives seemingly squandered in Southeast Asia prompted a loss of confidence in the once wildly popular Johnson administration. Candidate and former Vice President Richard Nixon pledged to bring about a total reform of a bloated, inefficient federal government as part of a “new American revolution.” Linking domestic inefficiency with a weak strategic image abroad, Nixon argued in favor of a “new revolution” meant to streamline and, in some cases, privatize elements of the federal government’s responsibilities.³⁰⁷

Following his acceptance of the Republican nomination, Nixon pledged to reform maritime security and adjust to industrial challenges. As a method of fracturing the already strained Democratic coalition, Nixon targeted organized labor as a potential source of political support and votes. Fissures over Vietnam and the Johnson administration’s efforts in a broader campaign for Civil Rights alienated blue-collar voters from their traditional Democratic voting patterns. As part of the broader “Silent

³⁰⁶ Ronald Spector, *After Tet: The Bloodiest Year in Vietnam*, (New York: Free Press, 1993), 3-5.

³⁰⁷ Bruce Schulman, *The Seventies: The Great Shift in American Culture, Society, and Politics*, 24-27. Nixon’s policy known as “devolution,” as described by Schulman, began a trend of subcontracting federal services to the private sector or remanding certain responsibilities to individual states. For more on Nixon era policies and economic ideology, see Chapter IV.

Majority” appeal to mostly white, working-class voters or “hardhats,” Nixon’s campaign sought to build what one historian described as a “new majority.”³⁰⁸

Hoping to syphon off maritime workers from the Democratic coalition, Nixon’s campaign included an appeal to the “hardhats” of the waterfront. In a speech delivered to maritime trade groups in Seattle, Nixon first defined seapower as the totality of maritime interests “in either trade or defense,” which included the “navy, the merchant marine, and port facilities.”³⁰⁹ According to Nixon, the U.S. merchant fleet, which carried 52 percent of U.S. imports or exports following World War II, carried less than “5.6 percent of U.S. trade” by 1968. U.S. flagged ships carried an even smaller fraction of global trade.³¹⁰ As part of his security platform, Nixon’s platform of revitalization of the American maritime economy included a plank warning of strategic competition from the Soviet Union. While U.S. shipping withered, Soviet-flagged shipping picked up the slack in global shipping demands. Beginning in the early 1960s, Soviet state-owned shipping increased its share of the world shipping marketplace, supplanting anemic U.S.-flagged counterparts.³¹¹ Nixon pledged to wrestle control of the trade routes from “foreign competition” by working with industrial and labor interests to reform a U.S. maritime industry attuned global trends including containerization.³¹² Following a narrow victory

³⁰⁸ Robert Mason, *Richard Nixon and the Quest for the New Majority*, (Chapel Hill, NC: University of North Carolina Press, 2004), 124.

³⁰⁹ Richard Nixon, “A New American Maritime Strategy,” in *Nixon Speaks Out: Major Speeches and Statements of Richard M. Nixon in the Campaign of 1968*, (Washington, DC: Nixon Campaign, 1968), 23.

³¹⁰ *Ibid*, 21.

³¹¹ Gibson and Donovan, *The Abandoned Ocean*, 309.

³¹² *Ibid*, 310-311. The authors highlight Nixon’s rare example of a national candidate devoting any campaign time to maritime issues.

in November 1968 and assuming office, Nixon attempted to reverse the decline in the domestic maritime industry.³¹³ Broadly speaking, Nixon's maritime policy sought to correct the neglect and unfilled administrative positions of the last two years of Lyndon Johnson's term. For example, the position of Maritime Administrator, one of two federal officials responsible for all ocean-going matters, sat empty from 1966 until after Nixon's inauguration in 1969.³¹⁴

Rather than neglect or allow the private sector to downsize for the sake of efficiency, the Nixon administration relied on heavy federal intervention to reverse declining numbers of U.S. flagged ships and maritime laborers. Helen Bentley, former maritime reporter for the *Baltimore Sun*, served as the Nixon administration's Federal Maritime Commissioner. Andrew Gibson, a career merchant mariner, was appointed Federal Maritime Administrator charged with day to day operations of the Maritime Administration.³¹⁵ The complexities of federal power and the broad scope of the maritime continuum required a delineation of responsibilities between the Federal Maritime Commission (FMC) and the Maritime Administration (MARAD). The FMC regulated the docks and rates of cargo carriers, while MARAD maintained the National Reserve Defense Fleet and promoted the construction of more U.S.-flagged ships.³¹⁶

³¹³ Richard Nixon, "Annual Report of the President to Congress on Marine Resources and Engineering Development, together with the Report of the National Council on Marine Resources and Engineering Development." (Washington, DC: Government Printing Office, 1970), 1.

³¹⁴ Gibson and Donovan, *The Abandoned Ocean*, 197.

³¹⁵ *Ibid*, 199, 301.

³¹⁶ *Ibid*, 145, 301. The overlap of responsibilities and offices between MARAD and the Maritime Commission will be discussed in Chapter Four.

Both ardent supporters of organized labor, Gibson and Bentley attempted to reverse the deep decline of American maritime employment in the late 1960s and early 1970s. Their efforts found little support in other federal offices.³¹⁷

After nearly a decade of professional managers making or implementing federal policy, attempts to re-center policy to include labor and less-private sector methods encountered opposition. Bentley's task of facilitating Nixon's maritime policy and new regulations included a reliance on advice from numerous perspectives, including industrial interests, labor unions, and the National Research Council (NRC). The NRC, a research arm of the government-sponsored National Academies, ultimately developed a reputation for reliable and informed opinions regarding matters of policy and future planning.³¹⁸ By 1970, conferences and symposia sponsored by the NRC discussed the ambiguous future of maritime communities and the workers who relied on the waterfront for their livelihoods. The majority of papers or discussions at these NRC maritime conferences came from industry leaders and business management professors affiliated with major research universities or government officials. From the standpoint of Joseph Carrabino, professor of Business Management at UCLA, the methodology of addressing the crisis at American ports wouldn't originate from academia or the government, but

³¹⁷ Harry C. Brockel, "Education Requirements for Port Management", National Research Council Maritime Conference, October 21, 1970. Series I-B, Box 19, Helen Delich Bentley Papers. Bentley's discussions in memoranda with other federal administrators included a rejection of her idea regarding the use of Sea Grant funding to employ or educate workers along urban waterfronts. Brockel's presentation transcript was delivered to Bentley as the results of an NRC conference on the future of ports.

³¹⁸ Norman Denzin, "The Elephant in the Room: Or, Extending the Conversation about the Politics of Evidence," *Qualitative Research*, 2009, 9, No. 39, 143-144. Denzin's article regarding the NRC acts as a criticism of power of the conservative methodology in the contemporary discourse. The article touches on the historical power of the NRC as an opinion maker and enforcer of orthodoxy within academia.

from the private sector. According to Carrabino, the solution for the future of port management came from the private sector. “The large laboratories where new technology and new methods are developing are out in the vast corporate structures.”³¹⁹ <check this quotation for mistakes. Similar papers delivered at NRC symposia reinforced the concept that only the private sector had the capability to develop the correct methods for managing the future of ocean transportation. Moreover, leaders in the field of management theory argued that more automation and the removal of expensive workers from the waterfront could solve the ills of the nation’s ports.³²⁰

Another measure developed to combat the overreliance on automation and foreign shipping came with passage of the Merchant Marine Act of 1970. Described by maritime writers Jeffrey Cruikshank and Chloe Klein as “aggressive” and “innovative,” Nixon’s promises to promote the American maritime industry came to fruition.³²¹ The near-unanimous passage of the Act by both houses of Congress reflected a pragmatic appeal to politicians concerned with a growing Soviet-flagged presence in the sea lanes. The Act also reflected the collapse of the domestic maritime industry. According to Undersecretary of Commerce for Maritime Affairs Robert Blackwell, the merchant fleet that numbered nearly 1200 ships at the end of World War II declined to less than 700 all-

³¹⁹ Joseph Carrabino, “Remarks at NRC Maritime Conference”, October 21, 1970. Series I-B, Box 3, Helen Delich Bentley Papers. Carrabino’s professional credentials included advisory positions on the boards of shipping firms and the Pacific Coast Association of Port Authorities. The Pacific Coast Association of Port Authorities was the largest employer of mariners and longshoremen in the United States.

³²⁰ Harry C. Brockel, “Educational Requirements for Port Management.” Brockel’s paper focused on throughput and port authority earnings based on container handling and computerization of ports.

³²¹ Jeffrey Cruikshank and Chloe Klein, *In Peace and War: A History of the U.S. Merchant Marine Academy at Kings Point*, (Hoboken, NJ: Wiley, 2008), 256.

purpose craft, including military ships converted into merchant vessels. Moreover, Blackwell stated that the majority of these ships were at least 25 years old by 1970 and failed to compete with newer foreign shipping.³²² The Act provided for shipbuilding subsidies above and beyond the previous subsidies. Under Title XI of the Merchant Marine Act of 1936, shipbuilding subsidies administered by the Maritime Administration provided loans to offset construction costs. After the passage of the 1970 act, subsidized loans covered up to 87 percent of construction costs for US ships in American shipyards.³²³ The massive expansion of federal loans appeared to save a dying domestic maritime industry. Demand for shipping collapsed in the mid-1970s, however, and loans intended for large cargo ships ultimately built more riverine and harbor craft.³²⁴ In spite of an appropriation and intervention designed to save the domestic shipping industry and the broader maritime economy, the Merchant Marine Act ultimately did little to prevent the ongoing decay along the American waterfront.

Limited changes in maritime policy from previous administrations mirrored continuity in Nixon's defense policy from his predecessors. Unbridled defense spending during the first years of the Cold War, coupled with steadily increasing outlays for the

³²² Robert L. Blackwell, "Implementation of the Merchant Marine Act of 1970," *Maritime Law and Commerce*, No. 167, Winter 1973/1974, pg. 67.

³²³ U.S. Department of Transportation, "Federal Ship Financing Program (Title XI)", <http://www.marad.dot.gov/ships-and-shipping/federal-ship-financing-title-xi-program-homepage/> Accessed May 13, 2015.

³²⁴ Blackwell, "Implementation of the Merchant Marine Act of 1970," 68. Riverine craft are shallow-draft ships that stay closer to shore or travel on internal waterways such as rivers. According to Blackwell, the Merchant Marine Act of 1970 allowed shipbuilders and shipping companies on the Great Lakes and on the Mississippi River drainage basin to benefit from the bulk of loans. For more on the collapse in the global shipping economy following the Oil Crisis of 1973 and the U.S.-flagged fleet after the Nixon shock of 1971, please see Chapter IV.

Vietnam Conflict, proved unsustainable by 1969. Meanwhile, Nixon's Defense Secretary, Melvin Laird, found notoriety during the mid-1960s as a congressional critic of McNamara era management principles.³²⁵ Upon assuming office, Laird continued to use systems analysis and other McNamara era metrics. Laird acknowledged the inevitability of defense cuts and attempted to reduce costs where possible. Continued escalation in Vietnam during the first years of Nixon's term prompted Laird to propose further reductions to NATO's conventional force in continental Europe. Laird's calculus in conventional reductions was intended to forestall demands for substantial cuts in spending coming from members of Congress and the general public.³²⁶ Laird's attempts to avoid reduced spending ran counter to President Nixon's demand to maintain a large conventional force in Europe. Nixon intended to calm NATO allies, such as West Germany. Moreover, Nixon's idea of maintaining a large conventional force in Europe was part of a larger strategy to signal the Soviets that Vietnam had not become too much of a distraction for the United States.³²⁷

With countervailing opinions regarding spending cuts and conventional forces in Europe, Laird delegated responsibility for maintaining the budget to Deputy Secretary of Defense David Packard. By appointing Hewlett-Packard's cofounder and a corporate executive who advocated new technology and human performance management, Laird

³²⁵Richard A. Hunt, *Melvin Laird and the Foundation of the Post-Vietnam Military, 1969-1973*. (Washington, DC: Historical Office of the Office of the Secretary of Defense, 2015), 8-11.

³²⁶ Ibid, 8-11.

³²⁷ Ibid, 21-22.

hoped Packard would streamline the DoD while maintaining defense commitments.³²⁸

The emphasis placed on finding private sector solutions to public sector issues with the installation of Packard at DoD mimicked the selection of McNamara and his staff of analysts. Later in life, Packard recollected that the reason for his selection as Deputy Secretary was his interest and specialization in “management...I thought that some of my management ideas were good and we could apply them to the Defense Department.”³²⁹ Packard’s determination to reform defense procurement meant adapting the pre-existing framework of systems analysis for a new administration. Rather than doing away with the quantified measurement of spending and human performance that had been criticized throughout the McNamara years, Packard’s reform of systems analysis and the McNamara-era PPBS system ensured its permanence in defense spending.³³⁰

In addition to retaining systems analysis from the McNamara Pentagon, Packard’s first budget provided for nearly every contingency, which was another holdover from the previous administrations. Anticipated defense cuts, the reduction in NATO conventional contributions, and Nixon’s demand for “all things to all” allies approach to defense needs complicated planning for Fiscal Year (FY) 1970. As a result of so many demands for a lower budget, Packard’s first budget chose which programs could be deferred to later

³²⁸ Melvin Laird, interviewed by Albert Goldberg, transcript, September 2, 1986, Historical Office, Office of the Secretary of Defense, Washington, DC, 12.; Richard A. Hunt, *Melvin Laird and the Foundation of the Post-Vietnam Military, 1969-1973*, 16, 52.; Richard Nixon: "Letter Accepting the Resignation of David Packard as Deputy Secretary of Defense," December 11, 1971. Editors Gerhard Peters and John T. Woolley, *The American Presidency Project*. <http://www.presidency.ucsb.edu/ws/?pid=3257>. Accessed August 30, 2015.

³²⁹ David Packard, interviewed by Albert Goldberg and Maurice Matloff, transcript, November 9, 1987, Historical Office, Office of the Secretary of Defense, Washington, DC, 14.

³³⁰ David Packard, interviewed by Albert Goldberg and Maurice Matloff, transcript, November 29, 1988, Historical Office, Office of the Secretary of Defense, Washington, DC, 23.

fiscal years.³³¹ Defense contracts awarded to districts with senior legislators remained intact. Rather than reforming the system as claimed, the vast majority of pre-Nixon defense programs continued unabated and fully funded.³³² Recollecting his first DoD budgeting process, Packard noted that his time in the private sector provided him the vantage point and the tools to select deferrable programs. In his own words, Packard noted that because of “lower budgets, we should get more military capability out of more modern technology.”³³³

Packard’s belief in technological and corporate innovation informed his approach to defense maritime policy during his reform of DoD budgets. Of all the programs left untouched in Packard’s FY 1970 budget, the first two programs deferred were shipbuilding programs and sealift requirements. In addition, in order to support new technological innovations or research and development, Packard stated that civilian workers employed by the DoD or under contract could also face layoffs.³³⁴ Rather than cancelling large and expensive programs, naval and sealift improvements scheduled to occur in 1970 took place in FY 1971 and in later years instead.

Similarly in 1970, and in spite of Nixon pledges to preserve the maritime industry, private sector solutions and innovations informed a massive reorganization of

³³¹ Ibid, 23.; Hunt, *Melvin Laird*, 92.

³³² David Packard, interviewed by Albert Goldberg and Maurice Matloff, transcript, November 9, 1987, Historical Office, Office of the Secretary of Defense, Washington, DC, 9. Packard hinted at a reticence to cancel or defer programs impacting key congressional supporters of the administration.

³³³ David Packard, interviewed by Albert Goldberg and Maurice Matloff, transcript, November 29, 1988, Historical Office, Office of the Secretary of Defense, Washington, DC, 13.

³³⁴ Hunt, *Melvin Laird*, 71.

military ocean transportation. Started by the Johnson administration as a program to attune sealift programs to technological innovations in the shipping industry, implementation came about under David Packard's management at DoD. The concepts of consolidation, centralization, and standardization present at the onset of the McNamara reforms in 1961 and 1962 survived well into the 1970s with the creation of single manager assignments at DoD. Mostly related to supply and procurement matters, the concept of the single manager assignment for logistics came from a commission chaired by then-Secretary of the Army Cyrus Vance. The Vance Commission's recommendations called for standardization and consolidation of all DoD logistics issues in 1962.³³⁵ The logistics standardization effort, however, continued well after 1962. By 1967, Vance rose to Deputy Secretary of Defense and offered a plethora of suggestions related to the centralization and standardization of ocean transportation. Combined with a 1967 DoD order to standardize use of the cargo container, Vance's reorganization of the MSTS and ocean transportation in general came as a result of a directive from Robert McNamara to "use the most effective utilization of strategic movement means and transportation resources, both now and in the future." According to systems analysts, lowering costs with the cargo container became the most important factor in any decision.³³⁶

1970 marked another watershed year in federal and defense maritime policy. The MSTS, re-christened the Military Sealift Command (MSC) in August of 1970, became

³³⁵ Beth F. Scott, James C. Rainey, et. al., *The Logistics of War*, 328.

³³⁶"Memorandum," McNamara Robert to Cyrus Vance, March 24, 1967. Series I, Subseries B, Box 19, Helen Delich Bentley Papers.

merely a supply agency. The name change of the command, a recommendation by the commanding officer of the MSTs, Vice Admiral Arthur Gralla, reflected the broader changes in ocean shipping.³³⁷ Along the docks of both commercial and military ports, the tens of thousands of longshoremen contracted with the MSC and other shippers feared their inevitable decline. In spite of warnings from ILA members on the consequences of “Container Fever,” the private sector, shipping authorities, and even the Department of Defense could not resist the charms of automation and lower financial costs.³³⁸ The cost to the maritime industry, however, proved to be the beginning of the end for U.S.-flagged shipping. The decline in shipping mirrored a decline in maritime labor for national emergencies. The reason for the collapse in progress during the late 1960s and into the 1970s went beyond cost lowering measures and the allure of new technology. Politicos and appointees became convinced that the private sector’s methods of management and efficient use of resources could best combat out of control defense budgets. This led to the installation of private sector figures such as Robert McNamara and David Packard at the DoD. Metrics introduced during the McNamara years, such as systems analysis, remained long after his departure. In spite of attempts to provide for defense inclusive of all necessary components, such as new technology and labor, the organizational culture at DoD and within the broader federal government became overly aligned with private sector methods. In turn, the belief in efficient management and new

³³⁷ Mercogliano, “Sealift”, 335.

³³⁸ Anthony Scotto, “Has the Container Bubble Already Burst?”, *ILA Local 1814 Newsletter*, April 8, 1968. Series 1, Subseries B, Box 4, Helen Delich Bentley Papers; Robert D. McFadden, “Views of Scotto: Progressive Union Leader or Hoodlum?”, *The New York Times*, January 18, 1979.; “Scotto is Called Captain in Mafia”, *The New York Times*, August 21, 1969. Series 1, Subseries B, Box 12, Helen Delich Bentley Papers.

technology, including automation and the cargo container, only grew stronger within the government's organizational culture into the 1970s, the 1980s, and beyond.

CHAPTER IV

“ASSURING AN ORDERLY FLOW”: DEREGULATION, DEFENSE SPENDING, AND THE AUTOMATION OF LOGISTICS, 1971-1980

In October 1971, another strike by the Atlantic and Gulf Coast chapters of the International Longshoremen’s Association (ILA) prompted military officials to begin discussing alternatives to relying on Atlantic and Gulf Coast ports. The ILA ordinarily honored a preexisting commitment to keep working military terminals in spite of a general strike against the private sector.³³⁹ Tasked with ensuring the regular shipment of cargoes from military and commercial terminals to U.S. bases in Europe and Vietnam, the Military Traffic Management and Terminal Service (MTMTS) coordinated the continental United States (CONUS) positioning of outbound equipment. The MTMTS coordinated with the newly formed Military Sealift Command (MSC) as well as with several other agencies and commands involved in defense logistics. Rather than sounding an alarm over the strike of 1971, Major General Clarence Lang, commander of the MTMTS, saw “no immediate need to shift cargoes” from commercial terminals to

³³⁹LTC Robert Brill, “Potential International Longshoremen’s Association (ILA) East and Gulf Coast Strike,” October 1, 1977. Annual Historical Summary Files, January 1, 1977-December 31, 1977; Box 14; Records of the Military Traffic Management Command, Record Group 552; National Archives, College Park, MD. The memorandum, written several months before the October 1971 strike, planned for contingency operations in case of a strike at the Ports of New York and Philadelphia. The same memo noted the decline of U.S.-shipping for military cargoes as a challenge, especially with the sealift for operations in the Vietnam War occupying much of the available merchant fleet.

military terminals in order to bypass the strike.³⁴⁰ Lang’s lack of urgency for an Atlantic coast strike included “ongoing supply operations in Southeast Asia” occupying the bulk of the U.S. flagged fleet and no emergency need for the “transfer of ships to the Atlantic theater.”³⁴¹

In September 1977, a similar ILA strike prompted the renamed Military Traffic Management Command (MTMC) to investigate alternatives to commercial ports. The MTMC’s commander, Major General H.R. Del Mar, promised “that impact of the strike on DoD cargo would be minimal” because the MTMC had already arranged to remove cargoes from private terminals and only use military terminals in the Atlantic and Gulf ports of New York, Portsmouth, VA, and New Orleans.³⁴² The reasoning for the coordinated pre-strike movement of containers and break bulk cargo to military terminals came from the Judge Advocate for the MTMC, Colonel William Vinet. Vinet argued that “past history and extenuating circumstances” allowed for the command to bypass ports under strike.³⁴³ In spite of no ongoing operations in the Vietnam War or an emergency in

³⁴⁰ Major General Clarence Lang to Commander, U.S. European Command, “Memorandum,” March 15, 1971. Annual Historical Summary Files, January 1, 1971-December 31, 1971; Box 3; Records of the Military Traffic Management Command, Record Group 552; National Archives, College Park, MD. The commander of the MTMTS had the statutory authority to make alternative arrangements for cargoes. Lang chose not to in the case of the 1971 strike.

³⁴¹ Ibid, March 15, 1971. For more on Lang’s wide latitude in cargo shipment and labor choices, see *W. G. Cosby Transfer & Storage Corporation v. Robert F. Froehlke, Secretary of the Army, and Major General Clarence J. Lang, Military Traffic Management and Terminal Service*, 480 F.2d 498 (4th Cir. 1973).

³⁴² Colonel William Vinet to Major General H.R. Del Mar, “Potential Longshore Strike,” September 20, 1977. Annual Historical Summary Files, January 1, 1977-December 31, 1977; Box 14; Records of the Military Traffic Management Command, Record Group 552; National Archives, College Park, MD.

³⁴³ H.R. Del Mar to John White, Assistant Secretary of Defense for Manpower and Logistics, “Memorandum,” Annual Historical Summary Files, January 1, 1977-December 31, 1977; Box 14; Records of the Military Traffic Management Command, Record Group 552; National Archives, College Park, MD.

the Atlantic, the MTMC in 1977 purposefully relocated materials to “assure an orderly flow of DoD [Department of Defense] containerized cargo.”³⁴⁴

The decision of the MTMC to bypass the ILA strike of 1977 reflected not only an avoidance of a labor strike, but also a changing attitude towards workers during the 1970s. This chapter will trace the reinforcement of management theories as an ideology transmitted within the DoD, but also as a justification for accelerating federal participation in rapidly automating ocean shipping between 1971 and 1980. The transition to a new defense posture during the twilight of U.S. involvement in the Vietnam War did not represent a new strategic tack; instead, souring congressional and public opinion on military spending during the 1960s led to steep declines in defense budgets. As one of many methods to cope with a 38 percent reduction in military spending between 1969 and 1975, the remedy of choice included metrics introduced nearly a decade earlier.³⁴⁵ A series of mathematical probability studies, which measured the effectiveness of defense spending known broadly as “systems analysis,” became a popular instrument of budgeting during the tenure of Robert McNamara at DoD. McNamara used quantitative analysis at Ford Motor Company and brought those methods to the DoD. Once implemented by “efficiency experts” drawn from the corporate sector, systems analysis factored nearly every potential financial cost in the procurement of defense systems. Unforeseen costs or increases, such as for workers’ wages or benefits, were not included in the model and as a result cost overruns ran rampant. Billions of dollars in unexpected costs and highly publicized expensive and un-

³⁴⁴ Ibid, 1183.

³⁴⁵ Lawrence Korb, *The Fall and Rise of the Pentagon*, (Westport, CT: Greenwood Press, 1979), 28.

deployed defense systems confounded the statistical models, especially during the American involvement in the Vietnam War.³⁴⁶ Following McNamara's departure and the installation of new management at DoD during the presidencies of Lyndon Johnson, Richard Nixon, and Gerald Ford, systems analysis remained ingrained in the approach to defense budgetary matters.³⁴⁷

Continuity with McNamara era defense reforms came as a byproduct of what political scientist Graham Allison described as the Organizational Process Model. Allison argued that an organization, its methods, and its mission ultimately conformed to the personnel who occupied its high offices.³⁴⁸ The DoD's decisions during the McNamara era and beyond represented an organization staffed by those who brought their private sector skill sets to government work. DoD's procurement and management processes functioned more like a corporation than a federal department.³⁴⁹ In spite of pledges from Secretary of Defense Melvin Laird, his subordinates, and successors at DoD to discontinue using statistical modelling, systems analysis remained regardless personnel and policy.

Appointees and bureaucrats at DoD during the 1970s included practitioners of systems analysis and managers from the private sector.³⁵⁰ Members of the Nixon, Ford,

³⁴⁶ Ibid, 28.

³⁴⁷ David Packard, interviewed by Albert Goldberg and Maurice Matloff, transcript, November 9, 1987, Historical Office, Office of the Secretary of Defense, Washington, DC, 12.

³⁴⁸ Graham Allison and Philip Zelikow, *Essence of Decision: Explaining the Cuban Missile Crisis*, (New York: Longman, 1999), 143.

³⁴⁹ Ibid, 144.

³⁵⁰ Korb, *The Fall and Rise of the Pentagon*, 11.

and even Carter administrations came from the private sector. During the decade, reform efforts at DoD usually tackled procurement or budgeting reductions with more statistical modelling or a popular corporate method of the era, “streamlining.” In the case of federal agencies, DoD appointees from the private sector, such as David Packard, Barry Shillito, and Lawrence Korb, proposed mergers of commands with seemingly fragmented or duplicated responsibilities. With Streamlining, or eliminating superfluous functions of merged agencies, administrators at DoD hoped to maximize budget woe due to congressional cuts or inflation.³⁵¹ Among the first agencies targeted for reforms and streamlining were the DoD’s maritime logistics commands, the Military Sealift Command (MSC) and the Military Transportation Management Command (MTMC). Both agencies existed as freestanding logistics commands, MSC for the Navy and the MTMC for the Army. Historian Mason Schaefer described the separate commands as “fragmented transportation empires” with duplicated efforts in terms of ship procurement, chartering, and separate ocean terminals for outbound cargo.³⁵² An inter-service rivalry coupled with members of Congress seeking to preserve local jobs in their districts ultimately preserved the duplicated, inefficient multiple commands. Rather than merging the agencies and eliminating the bloated bureaucracies, the DoD deepened its

³⁵¹ Alain C. Enthoven and K. Wayne Smith, *How Much Is Enough?: Shaping the Defense Program, 1961-1969*, (New York: Harper and Row, 1971), 57-63.; David Packard, interviewed by Albert Goldberg and Maurice Matloff, transcript, November 29, 1988, Historical Office, Office of the Secretary of Defense, Washington, DC, 23.

³⁵² Mason Schaefer, “Backing into the Buzzsaw: The Department of Defense’s Attempt to Merge the Military Traffic Management Command and the Military Sealift Command”, (PhD Dissertation, American University, 2001), 17.

commitment to containerization.³⁵³ By the end of the 1970s, each service depended on automation, cargo containers, and private sectors methods of managing their resources.

Restructuring of the DoD's transportation agencies in the 1970s mirrored a management revolution within the broader defense establishment. Proper management, however, became an amorphous instrument of maximizing available resources after post-Vietnam War reductions in defense budgets.³⁵⁴ According to Deputy Secretary of Defense David Packard in 1970 and 1971, management meant a preservation of McNamara era quantitative targeting of inefficiencies or "systems analysis." Moreover, Packard argued that because of "lower budgets, [the DoD] should get more military capability out of more modern technology" through efficient "management of the federal government."³⁵⁵ To McNamara, Packard, and the members of the defense establishment from the private sector, "proper management" meant using business models to reform and streamline a bloated, inefficient DoD.³⁵⁶

According to Packard, "proper management" was really a system known as "management by objective" (MBO). MBO was Packard's preferred method of conducting business while CEO at Hewlett-Packard and at the DoD. Packard defined

³⁵³ Ibid, 17.

³⁵⁴ U.S. Government, *The Budget of the United States Government, 1969*, (Washington, DC: Government Printing Office, 1969), 122.; Lawrence Korb, *The Fall and Rise of the Pentagon*, (Westport, CT, Greenwood Press, 1979), 26-29. Government spending inflation, which began in the mid-1960s, reached a crescendo in the mid-1970s. The budget figures are in 1975 dollars.

³⁵⁵ David Packard, interviewed by Albert Goldberg and Maurice Matloff, transcript, November 9, 1987, Historical Office, Office of the Secretary of Defense, Washington, DC, 12.

³⁵⁶ Ibid, 12. Definition of proper management, is to train subordinates to cutting expenses and inefficiencies at all costs. According to Packard and to Peter Drucker, absolute ideological and team conformity to the needs of the designated mission are required.

MBO as “a system where overall objectives are clearly stated and agreed upon and which gives people the flexibility to work toward those goal in their own areas of responsibility. It is the philosophy of decentralization in management and the essence of the free enterprise system.”³⁵⁷ Packard’s methodology of reform drew primary inspiration from the management theories of Peter Drucker. At the core of Drucker’s theories of management, perhaps none was as important as “management by objective.” According to Drucker, “management by objective” meant focusing on a goal by targeting areas of inefficiency. During the McNamara era DoD, MBO was known as systems analysis.³⁵⁸ Packard’s belief in MBO and Drucker’s methods bordered on semi-religious fervor. According to management expert Jim Collins, Packard’s devotion to and liberal use of Drucker’s concepts “conjured an image of Packard giving management sermons with a classic Drucker text in hand.”³⁵⁹ The “objective” for Packard was to transform the DoD into an organization that ran more like a business.

Commitment to “proper management” methods as a tool for government reform shaped implementation of budget reductions and the professional development of uniformed personnel in the DoD. Naval officers’ public discussion of maritime policy in the 1960s usually argued in favor of a maintaining a large merchant fleet in case of emergency.³⁶⁰ Budget austerity during the 1970s, however, coupled with a DoD wide

³⁵⁷ David Packard, *The HP Way: How Bill Packard and I Built Out Company*, (New York: Harper Collins, 1995), 152-153.

³⁵⁸ Peter Drucker, *The Practice of Management*, (London: Elsevier Ltd., 1955), 53-57.

³⁵⁹ Jim Collins, “Forward,” in Peter Drucker, *The Practice of Management*, (London: Elsevier Ltd., 2006), xvi.

³⁶⁰ Testimony of J.W. Gulick, Acting U.S. Maritime Administrator, House Committee on Merchant Marine and Fisheries, October 31, 1967. Series I, Subseries B, Box 3, Helen Delich Bentley Papers.; Testimony of

belief in proper management as a panacea for maximizing reduced funding levels justified a reform of policy and personnel. Initiated by David Packard in 1971 and continued in the subsequent decade, management theories such as MBO found new life in government sector educational institutions. Within the DoD, Packard established several new programs, including the Defense System Management School, which instructed bureaucrats in management theories and applicability to acquisition reform.³⁶¹ In addition, Packard insisted that curriculum include management theory as core courses for advanced officers attending post-graduate institutions such as the Naval War College (NWC) in Newport, Rhode Island. Packard's reasoning for reforming institutional culture came from his observations of the organizational process within the DoD. According to Packard, "...it is a big bureaucracy, and the services have a long tradition, especially the Navy. You're not going to revolutionize it overnight."³⁶² By 1972, the NWC focused on management as a part of a larger "new approach to professional education."³⁶³ From these courses on management, military officers and planners

Vice Admiral Glynn Donaho, Commander, Military Sea Transportation Command, February 5, 1966. Series I, Subseries B, Box 2, Helen Delich Bentley Papers.; John S. McCain, Jr., "Seapower: An Old Concept Renewed," Commander, Amphibious Force Atlantic Fleet, Press Release 1-66, undated. Series I, Subseries B, Box 5, Helen Delich Bentley Papers.

³⁶¹ J. Ronald Fox, *Defense Acquisition Reform, 1960-2009: An Elusive Goal*, (Washington, DC: Office of the Secretary of Defense, Historical Office, 2009), 54-55.

³⁶² David Packard, interviewed by Albert Goldberg and Maurice Matloff, transcript, November 28, 1988, Historical Office, Office of the Secretary of Defense, Washington, DC, 23.

³⁶³ Vice Admiral Stansfield Turner, "Challenge: A New Approach to Professional Education," *Naval War College Review*, 25 (1972): 11.
<https://www.usnwc.edu/NavalWarCollegeReviewArchives/1970s/1972%20November-December.pdf>.
Accessed on September 12, 2015.

acquired an appreciation for the private sector's methods of budgetary control and worker productivity.³⁶⁴

“Proper management” ultimately succeeded in altering not only doctrine within the DoD, but also the totality of federal maritime policy in the 1970s. Between 1971 and 1980, the adoption of near total containerization by private shippers became a reality in nearly every port in the continental United States. Concurrently, maritime labor both at sea and along the docks faced rapid obsolescence as a result of automation. As an example, the ILA's membership in the port of New York in 1970 numbered nearly 50,000 longshoremen. By 1980, that number was under 15,000. The ILA suffered similar job losses at ports along the Atlantic and Gulf coasts during the 1970s. According to ILA Executive Vice President Benny Holland, “we lost more than half our men due to automation.”³⁶⁵ Similar declines in laborers took place aboard the dwindling fleet of U.S.-flagged ships. Beyond automation and containerization, Soviet merchant shipping's expansion into global sea-lanes contributing to the collapse of the U.S. flagged fleet. Increased competition and automation accelerated American maritime industry's decline during the 1970s.

Historical studies of 1970s illustrated several links between economic malaise, budget austerity, and the decline of maritime labor due to automation and deregulation. Bruce Schulman's *The Seventies: The Great Shift in American Culture, Society, and*

³⁶⁴ Ibid, 11-12.

³⁶⁵ Benjamin Holland (President, International Longshoreman's Association, Beaumont, TX), recorded phone interview, Telephone Interview with the author, telephone interview, September 2, 2015. By 1977, only 43,000 longshoremen remained from the northern most port on the Atlantic Coast to the Mexican border. Longshoremen informally described this area as from “Searsport, Maine to Brownsville, Texas.”

Politics discussed the decline of the pro-labor consensus, which guided policy and elections in the post-war period. Schulman argued that the 1970s witnessed a transition from faith in the federal government's ability in solving social ills to a belief in private sector solutions as the cure for economic decline. The downsizing of the federal budget left enormous gaps in sectors of the economy previously reserved for the government sector. According to Schulman, the mid-1970s witnessed a "diverting of resources and initiative from the public to the private sector."³⁶⁶ Similar to Schulman, Jefferson Cowie chronicled the twilight of organized labor during the era of "stagflation" and deindustrialization in *Staying Alive: The 1970s and the Last Days of the Working Class*. Cowie used the collapse of organized labor as an illustration of the American economy's declension in the 1970s and the ascent of pro-business and deregulatory legislative initiatives. One glaring omission in Cowie's analysis is the international causes of economic growth or contraction in the era of globalization.³⁶⁷ Thomas Borstlemann's description of a global 1970s included aspects of international financial and economic connections to American decline during the decade. Borstlemann's discussion of the oil shocks of 1973 and 1979, as well as the internationalization of manufacturing markets, illustrated his story of widening economic inequality by the latter half of the decade and into the 1980s. Borstlemann connected the decline of the Keynesian programs during the 1970s to rising individualism and a rejection of collective improvement through government. Similarly, a development of foreign produced consumer goods catered to

³⁶⁶Bruce Schulman, *The Seventies: The Great Shift in American Culture, Society, and Politics*, (New York: Free Press, 2001), 23-35.

³⁶⁷ Jefferson Cowie, *Staying Alive: The 1970s and the Last Days of the Working Class*, (New York: The New Press, 2008.), 2, 232.

the individual's self-improvement, not the group or reliance on the state. Borstlemann argued that "confidence in the mechanisms of supply and demand replace confidence in the government." ³⁶⁸

Several studies of the defense establishment similarly indicated the popularity privatization within the government sector during the 1970s. Defense contracts and solutions for potential security concerns in the future guided expenditures from the early days of the Cold War into the 1970s. Paul A.C. Koistinen's multi-volume history of the military-industrial complex culminated with his study *State of War: The Political Economy of American Warfare, 1945-2011*. Koistinen discussed the growth of the defense contracting sector throughout the 1950s and 1960s.³⁶⁹ In separate sections of his monograph, Koistinen argued that a budgeting trend toward privatized defense research and development contributed to growth in large consulting and contracting firms.³⁷⁰ Organizations such as RAND Corporation and similar think tanks or federally sponsored conferences conceived or argued in favor, of private sector solutions to public sector issues. Trusting expert opinions from the private sector, congressional appropriators or political appointees provided more funds for private sector contracts.³⁷¹

Contracting with private firms for traditional internal DoD roles, however, took off during the Nixon, Ford, and Carter administrations of the 1970s. In particular,

³⁶⁸ Thomas Borstlemann, *The 1970s: A New Global History from Civil Rights to Economic Inequality*, (Princeton, NJ: Princeton University Press, 2012.), 5, 273.

³⁶⁹ Paul A.C. Koistinen, *State of War: The Political Economy of American Warfare, 1945-2011*, (Lawrence, KS: University of Kansas Press, 2012), 168.

³⁷⁰ Ibid, 71.

³⁷¹ Ibid, 79.

Koistinen described the defense industry of the 1970s as a consolidating field where few corporations obtained the vast majority of defense contracts.³⁷² Even in the era of defense austerity during the 1970s, Koistinen argued that the DoD awarded Fortune 500 companies 75 percent of defense contracts related to ammunition, food, and other defense products. Conglomeration and limited contract distribution only intensified during the defense buildup of the later 1970s.³⁷³ Koistinen, however, failed to include logistics or transportation defense contracts. With an industry and funding reservoir as vast as the Military-Industrial Complex, one could hardly fault Koistinen for concentrating on large scale contracts related to aerospace, tanks, or naval weaponry.³⁷⁴ The omission of technology, logistics, and transportation related issues from the defense-oriented historiography led Smithsonian historian Thomas C. Lassman to argue in favor of broadening the discussion of the DoD and industry. Lassman called for deeper investigation into direct and indirect results of military directed and funded innovation during the Cold War.³⁷⁵ This study broadens the concept of direct and indirect consequences following defense funding decisions from the 1960s through the 1990s.

³⁷² Ibid, 91-95. A horizontally integrated corporation purchased smaller companies within the same field. Vertical integration, however, meant larger companies acquired subsidiaries in all product sectors. For example, General Electric produced nuclear reactors, aircraft engines, and even television shows in the 1980s and 1990s through its subsidiary, NBC. For more on corporate conglomerates, see Dimitris Liakopoulos and Armando Marsilia, *The Regulation of Transnational Mergers in International and European Law*, (New York: Brill, 2009), 74-76.

³⁷³ Ibid, 93.

³⁷⁴ Ibid, 40, 94. Koistinen authored nearly a dozen books over the course of his career related to the military-industrial complex. While he makes mention of large conglomerates such as Kellogg, Brown and Root as obtaining logistical support contracts, these contracts came at a later date and rarely handled shipping interests.

³⁷⁵ Thomas Lassman, "Putting the Military Back in the Military-Industrial Complex: The Management of Technological Innovation in the U.S. Army, 1945-1960," *Isis* 106 (2015): 119.

Recent scholarship of the transportation industry identified broad-based support in favor of the private sector's management of the market in the 1970s. Shane Hamilton's *Trucking Country: The Road to America's Wal-Mart Economy* discussed a rebellion by truckers against road transportation regulations during what he dubs a "free market revolution" during the Nixon, Ford, Carter, and early Reagan administrations. Hamilton noted that a belief in allowing the private sector to manage the economy permeated the public discourse of the 1970s regardless of political affiliation.³⁷⁶ Hamilton argued that the collapse of the Keynesian consensus during the late 1960s and 1970s marked the transition from a state-centric, well-regulated economy to a lower-priced privatization movement. By default, any individual employed in the transportation sector ultimately became another cost to be minimized by what Hamilton calls "lean and mean" business strategies.³⁷⁷ Similarly, the maritime transportation sector faced enormous upheaval in the 1970s. According to Andrew Gibson and Arthur Donovan in *The Abandoned Ocean: A History of United States Maritime Strategy*, the 1970's was the "approaching end" of the American dominance of ocean commerce.³⁷⁸ The U.S.-flagged fleet, which had dominated the world's oceans in decades past, accounted for only 5 percent of global shipping by 1970 and continued to fall during the decade. Gibson and Donovan

³⁷⁶ Shane Hamilton, *Trucking Country: The Road to America's Walmart Economy* (Princeton, NJ: Princeton University Press, 2008), 2.

³⁷⁷ Ibid, 11-12. The term "lean" is a management buzzword, ultimately meaning the cutting of superfluous costs such as labor or other impediments to profitability. For more on "lean" as a business methodology born out of Japanese manufacturing in the 1960s and 1970s, see James Womack, Daniel T. Jones, and Daniel Roos, *The Machine That Changed The World*, (New York: Free Press, 1990), 1-15.

³⁷⁸ Andrew Gibson and Arthur Donovan, *The Abandoned Ocean: A History of United States Maritime Policy*, (Columbia, SC: University of South Carolina Press, 2000), 200.

highlighted the steep decline of maritime workers and members of unions such as AFL-CIO's Seafarers Union and the International Longshoreman's Association (ILA). Missing from Gibson and Donovan's work, however, is a critical analysis of deregulation's hand in decimating maritime labor and infrastructure.³⁷⁹

Deregulation and automation depopulated the ships and docks of the shipping economy. Marc Levinson's discussion of the 1970s in *The Box: How the Shipping Container Made the World Smaller and the World Economy Bigger* covers trends of automation and unemployment along the docks. Waterfront workers suffered more than most during the decade. Levinson quoted ILA President Teddy Gleason from 1959 when the union leader argued that automation could reduce "longshoreman employment by 30 percent."³⁸⁰ Levinson added that between 1963 and 1976, the real job losses were closer to 75 percent.³⁸¹ Levinson argued new technology and innovations supplanted the need for some laborers. The myth of mariner criminality, however, accelerated the replacement of even more workers with automation technologies. Rather than management looking to alter worker behavior or productivity, automation replaced alleged mobsters and thieves aboard ships and along the piers.

The goal of this chapter is twofold. The following illustrates popular trends of privatization and deregulation as an ideology within the federal and defense maritime sector. This chapter discusses the defense maritime sector during the 1970s as well as the

³⁷⁹ Ibid, 200. Gibson, while he was Nixon's Federal Maritime Administrator, favored deregulation as an instrument of promoting economic growth.

³⁸⁰ Marc Levinson, *The Box: How the Shipping Container Made the World Smaller and the World Economy Bigger*, (Princeton, NJ: Princeton University Press, 2006), 240.

³⁸¹ Ibid, 240.

cornerstones of legislation and policy decisions of the 1980s and early 1990s. Historians of the 1970s, in their studies of the defense or maritime sectors, rarely acknowledge private sector deregulation in their analyses. Similarly, scholars of deregulation rarely discuss defense or maritime policy. This chapter aims to bridge the historiographic gap between economic stagnation and deregulation's effect on defense maritime sector. By analyzing and deciphering statements and decisions of policy experts such as Packard, Andrew Goodpaster, Jacques Gansler, and others, this chapter provides illustrations of prevalent attitudes in the policy making circles in Washington and beyond. Through examining the words and decisions of planners and politicians, one can decipher changes related to spending, management, and technology, whether in the general government or along the waterfront. Defense budget cuts led planners to conceive of new methods for maximizing dwindling funding options during the 1970s. Automation and deregulation became obvious alternatives with little consideration for the consequences.

The unbridled defense spending of the 1960s coupled with a souring congressional opinion of the American involvement in the Vietnam War led to marked reductions in military budgets by the early 1970s. Extraordinary stories of waste and corruption in DoD and the broader defense industry became highly publicized in the early 1970s as well. During the Vietnam War, hundreds of thousands of troops and billions of dollars in sophisticated equipment failed to end the North Vietnamese will to fight. Instead of striking high-value targets or even cities, bombers saturated the jungles and rural areas of Vietnam, Laos, and Cambodia with tens of thousands of tons of bombs.³⁸²

³⁸² Brian D. Laslie, *The Air Force Way of War*, (Lexington, KY: University of Kentucky Press, 2015), 23. In Operation "Rolling Thunder", the sustained strategic bombing of North Vietnam between 1965 and 1968, at least 32,000 tons of ordinance fell on the Seventh Air Force's targets.

<That implies that there were high-value targets to strike. What were they? The Navy found little use for its expensive equipment. The fleet, designed to counter the Soviets for control of the open ocean, operated off Vietnam throughout most of the war and conducted little more than support operations. The nuclear powered super carrier *Enterprise* was state of the art by every measure but only launched aircraft that bombed small bridges. The majority of the non-carrier fleet had little to do beyond acting as support ships.³⁸³ The totality of Cold War-era conventional weapons failed to topple the agrarian North Vietnamese. The increasing death toll among American troops and local civilians during the Vietnam War reduced domestic support for the war by 1968 and 1969. Moreover, the U.S. government's errors, overestimations, and lies to the general public became widely known with publication of the "Pentagon Papers" by the *New York Times* in 1971. As a study commissioned by Robert McNamara in 1967, the leaked documents from the DoD enumerated the insurmountable challenges of propping up the South Vietnamese government and the ineffectiveness of nearly every American policy in Southeast Asia.³⁸⁴

Budget cuts followed the political firestorm in the aftermath of Vietnam War-related revelations coupled with a severe economic downturn in 1970 and 1971. Defense cuts and general federal austerity became one of the new realities planners dealt with in the early 1970s. In 1969, the first year of Richard Nixon's presidency, the defense

³⁸³ Mercogliano, "Sealift", 337.

³⁸⁴ Neil Sheehan, *The Pentagon Papers*, (New York: Bantam Books, 1971.), 221.

budget was \$118 billion. By 1974, DoD received the inflationary equivalent of \$74 billion, a reduction of nearly 38 percent.³⁸⁵

In light of the reduced budgets, the DoD requested consultation from academic and corporate experts for maintaining American defense commitments with less money. Sponsored by the Arms Control and Disarmament Agency (ACDA) at the Department of State, professors of management, economics, public policy, and labor studies composed articles advising on methods of budget reduction. From 1970 to 1973, these reports argued for organizational and spending changes in order to blunt the negative consequences of reduced spending on the overall economy.³⁸⁶ Graham Allison of Harvard University was one of the more notable contributors to the conferences and publications. Known for his “organizational process” model of policy analysis, Allison’s influence sprang from his public policy classes at Harvard and his contributions to think tank and organizational studies during the 1960s, 1970s, and 1980s.³⁸⁷ Allison’s examination of the organizational composition of the DoD’s bureaucracy prescribed how best to acclimate both civilians and military personnel to changing financial winds. After extolling the virtues of “systems analysis, cost analysis, operations research, PPBS

³⁸⁵ The Budget of the United States Government, 1969, 122; Korb, *The Fall and Rise of the Pentagon*, 26-29. Government spending inflation, which began in the mid-1960s, reached a crescendo in the mid-1970s. The budget figures are in 1975 dollars and reflect appropriations, not discretionary spending.

³⁸⁶ Bernard Udis, “Introduction,” in *The Economic Consequences of Reduced Military Spending*, Bernard Udis, ed., (Toronto: Lexington Books, 1973), 1-3.

³⁸⁷ Graham Allison, *Essence of Decision: Explaining the Cuban Missile Crisis*, 143. According to Allison’s model, organizations exist in order to produce a “systematic and harmonious or united action.” Organizations are comprised of divisions of labor based on the capabilities and the mission or task at hand. Such an agency develops an organizational culture based on its designated capabilities. Separately, the individuals employed by such an agency conform policies, practices, and standards set by the organization’s leadership.

(Planning-Programming-Budgeting-System) etc.,” as a metric of effective management, Allison offered solutions to new defense spending reductions.³⁸⁸ Allison instructed the Office of the Secretary of Defense (OSD) to begin implementing a system of rewards and education for DoD personnel to change the new organizational priorities of lower budgets. Perhaps more importantly, Allison argued for the professional military education institutions “testing the effectiveness of various [management] techniques with soldiers of various backgrounds.”³⁸⁹ Much of Allison’s article called for the military to find legitimacy in a post-Vietnam War era of decreased trust in government institutions. Allison ultimately called for a transition within the DoD, which would foster an organizational culture responsible for leaner, more effective spending. Allison’s new paradigm for the DoD focused on “what outputs [government officials] are trying to achieve, and how expenditures relate to these outputs.”³⁹⁰ In short, Allison called for a greater emphasis on systems analysis and enforcing the proper use of similar management methods through the military’s education system.³⁹¹

Following Allison’s suggestions, professional education in the DoD focused almost exclusively on amorphous “management” courses offered for advanced officers and federal civilians employees. According to Nathan Brodsky, director for Education Programs and Management Training at the DoD, the courses were developed to provide

³⁸⁸ Graham T. Allison, “Organizational and Administrative Factors Affecting Shifts in Defense Expenditures,” in *The Economic Consequences of Reduced Military Spending*, Bernard Udis, ed., (Toronto: Lexington Books, 1973), 289.

³⁸⁹ Ibid, 316.

³⁹⁰ Ibid, 289.

³⁹¹ Ibid, 289-316.

“specialized education and training which will assure skillful professional performance for those personnel engaged in management functions.”³⁹² The DoD management training program included “Defense International Logistics Management” at Fort Lee, Virginia. The course description states that students will “develop an appreciation for planning, programming, and implementing international logistics activities.”³⁹³ The course included “study, evaluation, and analysis of current problems in the program management” of logistics issues.³⁹⁴ With an education built to instilling the cheapest and most efficient way of supporting the DoD’s mission, logisticians became attuned to the private sector’s meaning of “proper management” for the logistics of supply chains and means of delivery.

U.S. and international logistics in the early 1970s, however, occupied a rapidly changing ocean landscape and economic situation. The long post-World War II financial and economic boom times, at least in the U.S. domestic marketplace, began to wind down by the early 1970s. Inflation due to an overabundance of federal dollars in the broader economy cut into the spending power of the average American consumer and corporations. President Nixon and his administration attempted to stem the flow of recessionary inflation, known as stagflation, with direct action. As a result, price controls

³⁹² Nathan Brodsky, *Defense Management and Education Training Catalog*, (Washington: Department of Defense, Office of the Undersecretary of Defense for Manpower and Logistics, 1973), 95. <http://files.eric.ed.gov/fulltext/ED084458.pdf> Accessed September 1, 2015. The course catalog listed prerequisites for the course which included “key personnel assigned to D/MM [Directorate of Material Management] staff activities” with a rank of “O-3 [Captain/Lieutenant] to O-6 [Lieutenant Colonel/Commander]; Civilian grades GS-11 through GS-14.” Civilian and military managers took these courses as part of their training and promotion trajectory. The course intended to train all future DoD “systems managers” to “complex problems...in international logistics and personnel support.”

³⁹³ Ibid, 97.

³⁹⁴ Ibid, 97.

and interest rate increases from the Federal Reserve board characterized the first years of the 1970s.³⁹⁵

Perhaps no early 1970s policy decision affected the international market and the Bretton Woods institutions more than the “Nixon shock.” The Bretton Woods system, the U.S.-led arbiter of global financial markets, currency valuation, and international credit, had been in crisis since the mid-1960s. The departures of European central banks from the system due to perceived American economic imperialism fractured the power of the system. A key attribute of the system, the convertibility of a currency to gold valued in U.S. dollars, devalued international currencies by comparison and led to the departure of France, West Germany, and other large economies.³⁹⁶ The Nixon administration, looking to wrestle control of a dire economic situation and a rapidly devaluing dollar from the clutches of the global market, ended gold convertibility. The economic ripples on a global level from the “Nixon shock” led scholars, such as future chairman of the Federal Reserve Paul Volker, to declare the Bretton Woods system dead.³⁹⁷

Coupled with the “Nixon shock”, supply issues in global commodities such as oil cascaded into a negative effect on the American economy. The Nixon administration’s support of Israel during the Yom Kippur War of 1973 led to an oil embargo by Arab

³⁹⁵ Schulman, *The Seventies*, 25.

³⁹⁶ Lucia Coppolaro, *A Global History of Trade and Conflict Since 1500*, (New York: Palgrave MacMillian, 2013), 204. Nixon’s reasoning for ending gold convertibility was to improve the U.S.’s position in international trade and finance. Coppolaro quotes Nixon’s as saying “...after 25 years of losing on global trade, we are changing the rules of this game.”

³⁹⁷ Office of Emergency Preparedness, *Stemming Inflation: The Office of Emergency Preparedness and the 90-Day Freeze*, (Washington, DC: Office of Emergency Preparedness, 1972), 3-7.
https://fraser.stlouisfed.org/scribd/?title_id=198&filepath=/docs/publications/books/1972_oepp_steminfla.pdf#scribd-open Accessed on September 1, 2015.

petroleum exporters against the United States.³⁹⁸ Not only did the “oil shock” of 1973 and early 1974 harm an already slowing U.S. economy, but it also greatly affected the transportation sector. In the United States, gas shortages contributed to the damage done by inflation, recession, and an inflated currency after the “Nixon shock.” American manufacturing, unable to export goods due to inflation, suffered further due to the oil shock.³⁹⁹

Maritime transportation, which enjoyed a bit of a renaissance in the early 1970s, suffered more than the rest of the economy after the dual shocks. The Merchant Marine Act of 1970, which provided subsidies to build ships in the United States, led to a temporary construction boom and a rebalancing of the global merchant fleet.⁴⁰⁰ With the twin shocks of 1971 and 1973, operating and construction subsidies could not keep up with steep decreases during the economic crisis and the oil embargo. U.S. flagged shipping firms were already reeling from currency imbalances cutting into profitability for overseas voyages as well as rising competition from foreign flagged vessels. U.S.

³⁹⁸ Cowie, *Stayin Alive*, x

³⁹⁹ Ibid, 243. The floating value of the U.S. dollar, especially due to inflation, led to wild fluctuations in the purchasing power of the currency. As an example, what a dollar bought in 1974 was 40% less than what a dollar bought in 1965. Not only did this cut into purchasing power of American consumers, but also the overseas operations of American corporations. While several authors noted a “global currency crisis” in the 1960s and 1970s, the largest fluctuations and inflation levels happened in the United States prior to the “shock” of 1971. For more, see Victor Argy, *The Postwar International Money Crisis: An Analysis*, (London: Routledge, 1981), 164.; Paul Krugman, “The Gold Bug Variations”, *Slate*, November 14, 1996.

⁴⁰⁰ Gibson and Donovan, *The Abandoned Ocean*, 202-203.

shipping firms retreated to Jones Act trade and mothballed the bulk of the U.S. flagged ships in order to survive the disastrous early 1970s.⁴⁰¹

The loss of capacity in U.S. flagged shipping posed a concern for defense and civilian planners, even in an era of defense austerity. As early as 1971, Andrew Gibson, Undersecretary of Commerce of Maritime Affairs and Federal Maritime Administrator, warned of an insufficient merchant fleet for wartime operations. According to Gibson's testimony before the House Merchant Marine Committee, the "the entire dry-cargo (non-oil) fleet expected to be available in 1975 under the most optimistic assumptions regarding fleet growth may not be able to sustain the full requirements of a major contingency."⁴⁰² The Maritime Administration specified that it needed at least 500 ships with a cargo capacity of nearly 25 million tons to support a long term sealift from the Continental United States (CONUS) to European and Asian ports. The rosier of estimates for the 1975 target found that only 300 ships with a capacity of 17 million tons could be fielded by the federal government.⁴⁰³ The twin shocks of 1973 only exacerbated the problems of sustaining the U.S. flagged fleet for emergency operations. The oil shock, which drove nearly half of the U.S. flagged cargo and oil fleet into storage yards, also resulted in bankruptcy for American and European shipyards by the mid-1970s.⁴⁰⁴

⁴⁰¹ Ibid, 203. The Jones Act, which required ships trading from port to port within the United States to be built at U.S. yards and manned with majority American crews, maintained maritime employment from the 1920s onward.

⁴⁰² Ricard Basoco, "Gibson Warns of Sealift's Capacity Lag," *The Baltimore Sun*, March 10, 1971.

⁴⁰³ Ibid.

⁴⁰⁴ Gibson and Donovan, *The Abandoned Ocean*, 203.

The security concerns related to the demise of U.S. flagged cargo fleet only worsened with renewed shipping competition from the Soviet Union. From the mid-1960s onward, the Soviet merchant fleet seized market share left by the demise of the U.S. merchant fleet. By the early 1970s, the Soviets attempted parity with the United States in the Atlantic as a merchant flag of preference.⁴⁰⁵ Aside from merchant fleet competition, the two powers cooperated on the high seas as well. Détente between the U.S. and U.S.S.R. included grain shipments as a token of peace in the early 1970s. As an aspect of the deal between the Soviets and the United States, grain shipments from U.S. ports were loaded on both American and Soviet ships bound for Russian ports. After acquiescence by the ILA, which refused to load “Red ships” during the Cold War, the Soviet merchant fleet called at American ports once again.⁴⁰⁶ From the early 1970s onward, the Soviets actively attempted to replace the U.S. fleet in the Atlantic by offering cut rate service on the most heavily trafficked sea routes between North America and Europe. The Soviet fleet, which had been an anemic imitation of the U.S. merchant fleet in the early 1960s, became a fully capable competitor and challenger by the mid-1970s. In 1971, Soviet merchant ships carried 260,000 tons of cargo from American ports. By 1976, this number jumped to nearly 5.1 million tons.⁴⁰⁷ The Soviet merchant marine

⁴⁰⁵ U.S. Maritime Administration, *Expansion of the Soviet Merchant Marine into U.S. Maritime Trades*, (Washington, D.C.: U.S. Department of Commerce, 1977), 55.

⁴⁰⁶ *Ibid*, 56-58.; Gibson and Donovan, *The Abandoned Ocean*, 205.

⁴⁰⁷ *Ibid*, 59-65. Complicating the measurement of Soviet penetration of the U.S. shipping market included the measurement of coastwise trade restricted only to U.S. flagged ships. Similar complications included the rapid re-flagging of ships during the 1970s, and the two oil embargoes.

intended to increase its market share at U.S. ports and compete with U.S. flagged shipping.

The limited supply of U.S. flagged ships and defense budget cuts compelled government officials to embrace automation and the container. Private shipping firms surviving the U.S. flagged demise and the twin shocks of the 1970s did so by relying upon automated container service. While container-majority shipping lines survived the treacherous economic climate of the early 1970s, established U.S. flagged shipping firms could not compete without heavy subsidization from the Maritime Administration or federal contracts. Successful firms, such as container inventor Malcom McLean's Sea-Land Corporation, Mediterranean Shipping Company, and Evergreen Marine, all operated without government subsidies. The majority of their business came from containerized trade.⁴⁰⁸

As defense austerity caused a reevaluation of spending and surviving shipping firms containerized, planners and politicians looked to similar means as a solution for maritime transportation. The obvious financial benefits of containerization made headlines in newspapers and popular magazines throughout the 1960s. Headlines exclaiming "containership race is on!" and articles proclaiming the benefits of modular intermodal cargo movement with little human input informed the public that the "future of cargo movement is now."⁴⁰⁹ Similarly, the newly established Military Sealift

⁴⁰⁸ Levinson, *The Box*, 275. Levinson notes that all of these firms were relatively new creations, buying up ships and facilities from failed shipping firms without pension, ship construction, or other legacy costs. Thus, these shipping firms' abilities to turn a profit was much easier than older firms.

⁴⁰⁹ Helen Bentley, "The Great Containership Race is On!" *Navy Magazine*, July 1966.

Command (MSC) and other defense logistics commands began evaluating the role of new technologies related to the cargo container by the early 1970s. As one of the benefits of the container included automated storage of either full or empty boxes, the MSC and the Military Traffic Management Command (MTMC) contracted for the construction of automated cranes and container storage facilities. By 1970, popular knowledge of automation in logistics found its way to the halls of Congress. John Stennis, chair of the Senate Armed Services Committee, implored the MTMC to “continue to investigate methods of automated container storage and loading.”⁴¹⁰ While the construction of these automated terminals proved to be too expensive in the early 1970’s era of defense cuts, the MTMC still looked to private sector’s model of automation as a solution. “Development of container facilities by private industry has far exceeded expectations,” explained Captain J.T. Bishoff, the deputy commander of the MTMC. Following the lead of the private sector, the MTMC modified berths at their military ocean terminals to begin handling automated containerships. At Oakland, California, on the Pacific Coast, and Sunny Point, North Carolina, on the Atlantic Coast, the Military Ocean Terminals provided an outlet for supplies bound for U.S. missions overseas.⁴¹¹

Containerization and demand for privatization of the DoD’s cargo needs continued to develop, especially for European contingencies. While the Pacific supply chain for the DoD was already well developed as a result of the Vietnam War, the

⁴¹⁰ Otis B. Winn to Charles Salloun, “Memorandum,” October 23, 1970. Annual Historical Summary Files, January 1, 1971-December 31, 1971; Box 3; Records of the Military Traffic Management Command, Record Group 552; National Archives, College Park, MD.

⁴¹¹ J.T. Bishoff to Deputy Chief of Staff for Logistics, Department of the Army, November 3, 1970. Annual Historical Summary Files, January 1, 1971-December 31, 1971; Box 3; Records of the Military Traffic Management Command, Record Group 552; National Archives, College Park, MD.

Atlantic remained relatively undeveloped. As Vietnam War or Pacific Rim resupply missions occupied most ships under the control of the MSC, the imbalance in the U.S. strategic position vis a vis maritime support became obvious. Andrew Goodpaster, the commander of U.S. European Forces grew concerned about the lack of MSC ships in the Atlantic, as well as the overall imbalance in strategic obligations. In correspondence with Clarence Lang, the commander of the MTMC, Goodpaster favored automating the cargo terminals under the control of the Army.⁴¹² More importantly, Goodpaster raised the possibility of using foreign flagged or subcontracted ships in the Atlantic to move heavy equipment such as tanks and other wheeled vehicles. Lang sympathized, but informed Goodpaster that “there is no indication that DOD intends to lift the restriction on government sponsorship of the shipment...”⁴¹³ Lang noted that there was a backlog of vehicles, both military and civilian, at Military Ocean Terminals in Philadelphia and Bayonne, New Jersey, due to a “lack of U.S. flagged shipping available at either port.”⁴¹⁴ The collapse of the U.S. maritime industry proved an obstacle that could, according to the commanders of the MTMC and the U.S. Army in Europe, be overcome by automation or removing regulatory obstacles.

Federal civilian maritime policy makers drew inspiration from new technology and automation as a panacea for the declining U.S. presence in world shipping. The Federal Maritime Commission (FMC) and the Maritime Administration (MARAD)

⁴¹²Major General Clarence Lang to General Andrew Goodpaster, March 4, 1971. Annual Historical Summary Files, January 1, 1971-December 31, 1971; Box 3; Records of the Military Traffic Management Command, Record Group 552; National Archives, College Park, MD.

⁴¹³ Ibid. The correspondence related to both military vehicles and privately owned vehicles shipped to Europe by officers and enlisted men.

⁴¹⁴ Ibid. Military Ocean Terminal Bayonne, New Jersey was on the western side of New York Bay.

facilitated infrastructure and legislative changes to correct American presence on the high seas and for defense purposes. New technology, such as nuclear-powered cargo ships, failed with the NV *Savannah* experiment of the 1960s. Shipping profits could never offset the high costs of nuclear reactors when basic steam propulsion offered similar speeds for cargo ships.⁴¹⁵ Similar failed innovations included the expensive one-off construction of *H.S. Dennison*, a hydrofoil ship. Hydrofoil ships skimmed the surface of the water allowed these vessels to travel at very high speed. MARAD paid for the *H.S. Dennison* in order to test technologies for a “fast deployment logistics” fleet that was never constructed.⁴¹⁶

The government’s approach to the cargo container came from the pressure of the private market innovations rather than investigations and experiments sponsored by MARAD. According to transportation expert Herman Mertens, containerization overtook “large scale federal initiative or sponsorship.”⁴¹⁷ In order to get ahead of the innovation curve, federal administrators attempted to smooth obstacles to growth in “intermodality,” such as inefficient, unautomated terminals. According to Mertens, the federal government began to subsidize financing for automated ocean terminals in key ports.⁴¹⁸

⁴¹⁵ Peter DuJarden, “Nuclear Remnants,” Newport News (Va.) *Daily Press*, February 4, 2007. The article stated the *Savannah* sat at anchorage with the emergency Defense Reserve Fleet in the James River off Newport News for decades with her nuclear reactors still intact.

⁴¹⁶ Herman Mertens, *National Transportation Policy in Transition*, (Toronto: Lexington Books, 1972), 157; Alden P. Armagnac, “Hydrofoils Speed Over Waves,” *Popular Science*, July 1961.

⁴¹⁷ Mertens, *National Transportation Policy in Transition*, 162. Mertens directed the Public Administration Program at West Virginia University specializing in transportation policy.

⁴¹⁸ *Ibid*, 163. Intermodality, in short, means travelling by multiple modes, land, sea, air, all of which was possible with the container. Mertens failed to identify the ports which would become “major load centers”,

As a result of transportation industry changes and innovations made by the early 1970s, the role of the federal regulations along the roads, rails, and seaways changed to promote trade. Throughout the 1960s, the railroad industry suffered through anemic profits and corporate consolidation. Loss of passenger revenue in both the railroad and maritime industries caused waves of bankruptcies and mergers throughout the late 1960s and early 1970s. The dire situation in the rail industry led to a government takeover and heavy subsidization of passenger service in 1973.⁴¹⁹ The U.S. maritime industry, however, failed to receive such a bailout. Critics of federal subsidies, such as Secretary of Transportation John Volpe, argued that containerization and international competition from foreign flagged ships balanced the market. In short, Volpe viewed increased shipping competition and innovations such as automation as beneficial to the broader economy.⁴²⁰ Through most of the 1960s and into the 1970s, the Interstate Commerce Commission and the Federal Maritime Commission regulated the rates of cargo transport within the borders and seaways of the United States. In 1974, Chair of the Federal Maritime Commission Helen Bentley, however, argued in favor of sweeping away dual agency regulation on intermodal forms of freight or cargo.⁴²¹ Citing the overwhelming

he suggests centralized hubs were a solution. Ultimately, the Port of Long Beach on the Pacific coast and the Port of New York/New Jersey became partially automated distribution nodes for containers by 1990.

⁴¹⁹ Gibson and Donovan, *The Abandoned Ocean*, 312. The government created an umbrella corporation known as Amtrak. Amtrak assumed control of interstate passenger service with heavy subsidies.

⁴²⁰ Ibid, 312.

⁴²¹ Helen D. Bentley, "Statement Before the Merchant Marine and Fisheries Committee," August 13, 1974. Helen Delich Bentley Papers, Langsdale Memorial Library Special Collections, University of Baltimore, Baltimore, MD, Series IV, Subseries A, Box 6. Dual agency regulation meant federal rail, maritime, and road agencies under the Department of Transportation all imposed regulations on freight travelling by the respective modes.

regulatory burden on individual containers travelling by land, rail, and sea modes, Bentley stated that deregulation could “cut through the quagmire which stifles the fast, efficient, and unrestricted flow of cargo.”⁴²² Bentley’s expertise in ocean transportation as former maritime editor for the *Baltimore Sun* lent weight to her testimony before the House Merchant Marine and Fisheries Committee. While calling for a reduction of regulatory authority, Bentley argued for simplified or reduced tariff rates on imported or exported goods. The simplified procedure for regulations was designed to correct the failing export economy. According to Bentley, “the tariff will be filed under one set of regulatory standards...which are designed to promote U.S. foreign commerce.”⁴²³

In spite of an attempt by federal maritime officials to keep pace with developments related to containerization, the ocean transportation agencies disagreed with the rapidly globalizing approach to regulating trade. In 1974 at the United Nations Conference on Trade and Development (UNCTAD) in Geneva, Chairwoman Bentley reiterated a long held U.S. commitment to liberalizing global trade. Liberalized global trade, a cornerstone of the Bretton Woods system, facilitated rapid economic growth in the U.S. following the Second World War. By 1974, however, cheaper imports and inflation-era expensive exports wrought havoc on American manufacturing.⁴²⁴

Nevertheless, Bentley reminded the delegates at UNCTAD that “artificial attempts to manage shares of trade which ignore economic realities and the legitimate interests of

⁴²² Ibid.

⁴²³ Ibid.

⁴²⁴ Robert Rowthorn and Ramana Ramaswamy, *Growth, Trade, and Deindustrialization: A Working Paper of the International Monetary Fund*, (Washington, DC: International Monetary Fund, 1998), 12-17. <https://www.imf.org/external/pubs/ft/wp/wp9860.pdf> Accessed September 20, 2015; Schulman, *The Seventies*, 5, 111.

shippers as well as ship owners run the risk of political confrontations on the one hand and economic failure on the other.”⁴²⁵ A rapidly changing ocean economy compounded the financial crises for American shippers.

Due to an overall crisis of confidence in the U.S. during the mid-1970s, belief in free trade offered relief at a time of economic quagmire. Price controls and protective tariffs on manufacturing prevailed during the Nixon administration as an attempt to stabilize the economy and as a gesture to labor “hardhats” who supported Nixon politically. Even in the midst of the gold shock, the oil shock, and the Watergate crisis, the government attempted to jumpstart the economy using free trade. A bill introduced by Congressman Al Ullman of Oregon in December 1973, known as the Trade Act of 1974, provided the president a free hand in crafting free trade agreements for the purposes of economic promotion.⁴²⁶ Ultimately bearing fruit in subsequent decades, Trade Act represented a codification of what automation embodied. The Trade Act allowed a president to fast track trade agreements and ultimately removed legislative negotiations and interest group protests from the process. The reduction of tariffs and trade barriers liberalized trade, allowed for the flow of goods across borders, and hastened American deindustrialization.⁴²⁷

⁴²⁵ Helen Bentley, “Statement of U.S. Delegate to Sixth Session of UNCTAD Committee on Shipping,” January 20, 1974, Helen Delich Bentley Papers, Langsdale Memorial Library Special Collections, University of Baltimore, Baltimore, MD, Series IV, Subseries B, Box 3.

⁴²⁶ Public Law 93-618.

⁴²⁷ Giuseppe La Barca, *International Trade in the 1970s: The US, the EC, and the Growing Pressure of Protectionism*, (London: Bloomsbury, 2013), 53-76. Fast track authority means the president delivers the trade agreement to Congress for either an affirmative or negative vote. Congress has no ability to alter the agreement.

In the aftermath of the resignation of Richard Nixon, President Gerald Ford's administration continued much of the trade policy of the preceding six years. It was President Ford who signed the Trade Act of 1974 into law in early 1975. After economic crisis greeted him upon assuming office, Ford attempted to rectify the shrinking buying power of the dollar and stagnant growth with his "Whip Inflation Now" program. Also known as "WIN," Ford's plan included tax cuts, tighter monetary policy, and facilitating new trade agreements through authority granted under the Trade Act.⁴²⁸

Continuity with previous administrations' policies continued at the DoD as well. Ford's Secretary of Defense, Donald Rumsfeld, took a much more active role than his predecessors in the day to day operations and planning. The trend of reductions in defense budgets begun under earlier administrations continued as Rumsfeld amplified the use budgetary streamlining. Seeking to reverse the long decline of spending, Rumsfeld cut logistical and conventional support missions in the DoD in favor of new weaponry. In 1976, Rumsfeld informed the House Appropriations Committee that "since 1964, we have reduced civilian strength [in logistics] by 30 percent...almost all of our reductions in the past twelve years have occurred in the support area."⁴²⁹ Rather than aggressively pursuing cuts in government waste or interdicting contractor abuse, Rumsfeld and his predecessors pursued reductions of civilian workers.

⁴²⁸ Ibid, 56. For more on "deindustrialization" and job losses, see Chapter V of this study.

⁴²⁹ Donald Rumsfeld to Sam Nunn, April 28, 1976. The memorandum detailed the DoD's conventional reductions related to NATO missions, and in Europe. <http://library.rumsfeld.com/doclib/sp/511/Re%20Army%20Commitment%20to%20NATO-%20SACEURs%20Stategic%20Reserve%2004-27-1976.pdf#search=%22reserve%20fleet%22> Accessed September 21, 2015.

Rumsfeld and his staff favored new technology as a solution to support missions, such as logistics. In a review of the DoD's capabilities in comparison to the Soviets', A.W. Marshall of the Office of Net Assessment at the DoD enumerated a litany of strengths and weaknesses in U.S. capabilities. Marshall's discussion of logistics stated, "the U.S. came out of World War II with a strong Navy...and has also developed the appropriate strategic airlift capabilities that together provide it with good capabilities to deploy and supply substantial military forces at long distances from our shores."⁴³⁰ Marshall, writing in 1975 and 1976, estimated that airlift could maintain U.S. positions during a conflict in Europe. A decade earlier, the DoD assumed airlift could support the totality of U.S. positions in Vietnam, which proved to be incorrect.⁴³¹

In spite of a belief in airlift as a cure-all, the DoD under Donald Rumsfeld did make special arrangements for maritime logistics, but even these preparations proved insufficient. In November 1976, the DoD and the Commerce Department added ships to the National Defense Reserve Fleet in case of an emergency need. This augmented portion of the fleet, known as the Ready Reserve Fleet (RRF), could put to sea within 72 hours.⁴³² The failure of many U.S. flagged shipping lines provided an abundance of

⁴³⁰ A.W. Marshall to Donald Rumsfeld, "Memorandum on Key Military Balances," <http://library.rumsfeld.com/doclib/sp/195/1975-12-06%20From%20A.%20W.%20Marshall%20re%20Key%20Military%20Balances%20.pdf#search=%22logistics%22> Accessed September 21, 2015.

⁴³¹ Ibid.; Walter Poole, "Acquisition in the Department of Defense, 1959-1968: The McNamara Legacy," in Shannon Brown, ed., *Providing the Means of War: Historical Perspectives on Defense Acquisition, 1945-2000*, (Washington, DC: United States Army Center of Military History, 2005), 95. See Chapter III of this study for Robert McNamara's assumptions and the overwhelming reliance on sealift at DaNang in 1965-1967.

⁴³² James Matthews, *United States Transportation Command and National Defense Reserve Fleet and the Ready Reserve Force: A Chronology*, (Scott AFB, IL: United States Transportation Command Research Center, 1999), 4-6.

modern, capable, and unused ships for the RRF. Instead of drawing upon these available hulls, the DoD, through the Navy's Military Sealift Command, placed thirty World War II-era *Victory* ships into the RRF's storage facilities in Virginia, Texas, and California.⁴³³ Even in making special preparations for a "ready at a moment's notice" squadron of cargo ships, the DoD drew upon the least expensive and most readily available materials, in spite of the *Victory*'s obsolescence.⁴³⁴

Economic vitality and regulatory changes came to the forefront of American politics again during the election cycle of 1976. Democratic Presidential nominee James Carter promised reforms of a moribund national economy and government. Carter's image as a political outsider proved popular in an era when the electorate lost confidence in the country's political leadership.⁴³⁵ Promising a liberation of "American people from the burden of overregulation," Carter defeated Ford at a moment when the general population was undergoing what historian Shane Hamilton described as a revolution "all in the name of lower consumer prices."⁴³⁶ Inflationary effects on prices wrought havoc on the average American's ability to purchase consumer goods. A free market, pre-Keynsian economic ideology drove much of the "revolution" against regulations in the latter half of the 1970s. Inspired by economists such as Milton Friedman, the concept of a private sector unencumbered by government regulations or heavy taxation repudiated much of the government management of the economy since the New Deal era.

⁴³³ Mercogliano, "Sealift", 362-363.

⁴³⁴ Ibid, 363.

⁴³⁵ Schulman, *The Seventies*, 125.

⁴³⁶ Ibid, 125.; Hamilton, *Trucking Country*, 11.

Friedman's influence in political economy during the late 1970s cannot be understated. Pamphlets and newspaper editorials liberally quoted Friedman's anti-"big government" perspectives. According to Friedman, only an embrace of a *laissez-faire* free market could cure the ills of the economy in the late 1970s.⁴³⁷

The transportation industry, which had long been the exemplar of procedures and costs that frustrated the market, became the Carter administration's first target of deregulation. In the administration's first months in office, Carter appointees began to evaluate the transportation industry for potential inefficiencies. Airlines were the first companies freed from regulated price controls. The results of fare and price competition led one administration official to note "we really effected a revolutionary change in the relationship between government and business."⁴³⁸ Deregulation also benefitted the trucking and freight railroad industries, both of which suffered heavy regulation of costs for vehicle operators' licenses and costly labor, safety, and health expenses.⁴³⁹ The electorate's attitudes toward labor in the transportation industry also heavily influenced the deregulatory agenda of the Carter administration and of the Democratic Party. Democratic senators Edward Kennedy and Howard Cannon shepherded several deregulatory laws through Congress in the late 1970s. The unpopularity of the Teamsters

⁴³⁷ Milton and Rose Friedman, *Free to Choose: A Personal Statement* (New York: Houghton Mifflin, 1978), 10-15.

⁴³⁸ Alfred Kahn, quoted in Schulman, *The Seventies*, 125.

⁴³⁹ Hamilton, *Trucking Country*, 232.

Union, and organized labor in general, led ambitious politicians to abandon workers for the sake of positioning for future elections.⁴⁴⁰

While deregulation applied to much of the transportation sector in the late 1970s, the new laws did not address the maritime industry or labor. Heavy subsidies for shipbuilding and operating expenses for the dwindling U.S. flagged fleet remained intact under the Merchant Marine Act of 1970. The Department of Commerce (DoC), the regulatory body for maritime affairs in the late 1970s, acknowledged labor issues facing the shipping industry on the eve of the Carter administration's deregulatory campaign in other transportation sectors. Arthur Friedberg, the DoC's director of maritime manpower, interviewed ship agents and pointedly asked whether there was "any lack of cooperation by U.S. maritime labor (in comparison to foreign crews)."⁴⁴¹ Friedberg's investigation revealed that by the late 1970s ship agents dealt with U.S. regulations because labor "made special concessions in order to attract jobs" and that domestic workers were of a "higher quality."⁴⁴² Concerns regarding the availability of U.S. labor also came out in Friedberg's investigations of the maritime industry. Insufficient numbers of trained maritime engineers and longshoremen because of retirement or automation concerned Friedberg and the DoC. Friedberg noted: "[J]ob opportunities

⁴⁴⁰ Hamilton, *Trucking Country*, 12. Kennedy challenged Carter for the Democratic nomination in 1980, running as a "centrist" due to his deregulation stances. Hamilton described Kennedy's behavior as "union busting."

⁴⁴¹ Arthur Friedberg to Assistant Secretary for Maritime Affairs, Department of Commerce, "Re: Labor Issues in U.S. Dry Bulk Shipping Program," March 1, 1977. Program Files, 1971-1982; Box 7; U.S. Department of Commerce, Office of the Assistant Secretary for Maritime Affairs; Records of the Maritime Administration, Record Group 357; National Archives, College Park, MD. Parentheses appear in the original document. A ship's agent is the port-based intermediary for a ship's owner, the port, and the owner of cargo aboard ship.

⁴⁴² Ibid.

along the water front have and will continue to decrease at significant rates. If conditions are not altered in the foreseeable future, port costs will continue to rise associated with the GAI, leading to increases in cargo diversions and unemployment.”⁴⁴³

On one hand, the maritime industry embraced automation and reliance on foreign flagged vessels. The spirit of competition on the high seas from foreign flagged ships and through reduction of costs associated with the cargo container began to drive U.S. shipping and maritime trades out of business. As ship agents and the remaining U.S. flagged ships owners realized, there were limits to what Milton Friedman described as the “unleashing of free enterprise.”⁴⁴⁴ In the early 1960s, the U.S. merchant marine employed some 48,000 sailors. By 1977, there were fewer than 21,000.⁴⁴⁵ The Navy’s Military Sealift Command suffered similar proportional losses, with nearly 10,000 employed in 1965 and under 4,000 employed in 1975.⁴⁴⁶ The DoC’s attrition investigations seemed to indicate that employment numbers would continue to fall if left unattended.⁴⁴⁷

⁴⁴³ Arthur Friedberg to Assistant Secretary for Maritime Affairs, “Re: ILA Atlantic and Gulf Coast Strike,” February 7, 1977; Friedberg to Assistant Secretary for Maritime Affairs, “Re: Marine Engineer Retirement/Attrition Rates,” May 13, 1977. Program Files, 1971-1982; Box 7; U.S. Department of Commerce, Office of the Assistant Secretary for Maritime Affairs; Records of the Maritime Administration, Record Group 357; National Archives, College Park, MD. The GAI or guaranteed annual income was compensation for non-working, but still employed longshoremen. Shipping associations, or the consortium of ship’s agents at each port, paid into the GAI fund and longshoremen drew their compensation for automation. Of the 25,000 unemployed longshoremen in New York Harbor in 1977, only 2200 collected a GAI check.

⁴⁴⁴ Arthur Friedberg to Assistant Secretary for Maritime Affairs, Department of Commerce, “Re: Labor Issues in U.S. Dry Bulk Shipping Program,” March 1, 1977. Program Files, 1971-1982; Box 7; U.S. Department of Commerce, Office of the Assistant Secretary for Maritime Affairs; Records of the Maritime Administration, Record Group 357; National Archives, College Park, MD.

⁴⁴⁵ Mercogliano, “Sealift,” 338-339.

⁴⁴⁶ Ibid, 339.

⁴⁴⁷ Ibid, 339.

Planners and influential leaders in the defense sector highlighted inefficient business practices in defense procurement and spending and looked to deregulation or free market solutions. Former NATO Supreme Allied Commander and U.S. European Commander Andrew Goodpaster and co-author Samuel Huntington argued, in *Civil-Military Relations*, that a gap in general knowledge and specialization developed between defense officials and civilian organizations. Goodpaster and Huntington highlighted troubles that DoD officials had in interactions with organized labor.⁴⁴⁸ The reason for the chasm between civilian abilities to dispense with inefficient costs and the DoD, according to Goodpaster and Huntington, was that “service efforts to reduce or eliminate less productive facilities frequently clash with congressional committees.”⁴⁴⁹ When assigning blame for the clash, Goodpaster and Huntington noted that frequently “opposing interests” in “transportation and labor influenced key members of congressional committees.”⁴⁵⁰

Goodpaster’s other text from 1977, *For the Common Defense*, enumerated ways in which the U.S. military needed to reform itself following the Vietnam War and the austere days of the early 1970s. Goodpaster’s topics included defense spending, allocation of materials for emergencies, and, drawing on his expertise as former NATO

⁴⁴⁸ Andrew Goodpaster and Samuel Huntington, *Civil-Military Relations* (Washington, DC: American Enterprise Institute Press, 1978), 65-74. Goodpaster was at the height of his influence in 1977. He was both a senior fellow at the Woodrow Wilson Center at Princeton University and called out of retirement to serve as Superintendent of West Point from 1977-1981. Goodpaster and Huntington wrote this text while conducting research on behalf of the American Enterprise Institute, a conservative think tank.

⁴⁴⁹ Ibid, 45.

⁴⁵⁰ Ibid, 45.

Supreme Commander, a defense of Western Europe.⁴⁵¹ Goodpaster's recommendations included a robust deterrent to Soviet land, air, and strategic nuclear forces. Goodpaster also called for reevaluation of U.S. maritime strategy, both military and civilian.

According to the author, "capabilities for sea control give operational freedom and afford useable access to the crisis."⁴⁵² He included assessments of DoD capabilities and options during the late 1970s. "Major reliance would have to be placed on sealift in case of a military undertaking of substantial size and duration. Defense sealift in active use in peacetime is severely limited in capacity. Additional sealift from commercial shipping lines... would be needed."⁴⁵³ In short, Goodpaster argued for both a debasement of labor and a subcontracting of emergency sealift to a non-existent U.S. flagged commercial fleet in order to prepare for conventional operations in Western Europe.

In the late 1970s, concerns regarding NATO capabilities against a resurgent Soviet threat occupied the minds of civilian and military planners. Post-Vietnam War plans of the United States only accounted for one side of the long standoff in Central Europe. In spite of internal economic and food supply problems, the Soviet Union began a program of incremental increases in military spending during the 1970s. Similar to the American economic woes of the decade, the Soviet command economy faltered. In 1974 and 1975, however, the Soviet military budget enjoyed exponential growth.⁴⁵⁴ The

⁴⁵¹ Andrew Goodpaster, *For The Common Defense*, (Lexington, MA: Lexington Books, 1977), 142-145.

⁴⁵² *Ibid*, 145.

⁴⁵³ *Ibid*, 146.

⁴⁵⁴ Noel E. Firth and James H. Noren, *Soviet Defense Spending: A History of CIA Estimates, 1950-1990* (College Station, TX: Texas A&M University Press, 1998), 126.

Soviet Union, as an oil exporter, benefitted greatly from the oil embargo of 1973. The steep increase in the price of oil not only saved the Soviet economy, but also provided ample funds for building up the Soviet military. By 1976 and 1977, the Central Intelligence Agency estimated that Soviet military expenditures had increased by nearly 30 percent from 1970 to 1975.⁴⁵⁵

As a result of the boom times in Soviet military spending, extraordinarily expensive programs or areas in which the Soviets traditionally did not compete with the United States became available. Spending for strategic offensive weapons, both conventional and nuclear, increased substantially in the late 1970s. In addition, the Soviet Navy, long a subordinate to the strategic nuclear or armored vehicle spending programs, received a welcomed funding boost. In particular, the Soviets began to build aircraft carriers.⁴⁵⁶ The Soviets mimicked the use of aircraft carriers as a power projection tool from the United States. The Soviets built *Kiev* class aircraft carriers and other large ships, such as the *Kirov* class of battlecruisers. Soviet naval spending marked an escalation in Cold War maritime affairs.⁴⁵⁷

⁴⁵⁵ Central Intelligence Agency, *Estimated Soviet Defense Spending in Rubles, 1970-1975* (Washington, DC: Central Intelligence Agency, 1976), 8-15.; Charles E. Maier, *Dissolution: The Crisis of Communism and the End of East Germany*, (Princeton, NJ: Princeton University Press, 1997), 61-72. Maier argues artificially high oil prices covered the internal flaws in the Soviet economy of the 1970s. The collapse of oil prices and grain harvest issues led to serious economic and social fractures in the broader Soviet-influenced economic bloc in the 1980s.

⁴⁵⁶ A.W. Marshall to Donald Rumsfeld, Memorandum on Key Military Balances, Rumsfeld Library, <http://library.rumsfeld.com/doclib/sp/490/From%20Andrew%20Marshall%20re%20McClellan%20Letter%20on%20Recent%20Trends%20in%20the%20Military%20Balance%20Between%20U.S.%20and%20Soviet%20Union%2003-23-1976.pdf#search=%22logistics%22> Accessed on September 21, 2015.; Firth and Noren, *Soviet Defense Spending*, 110-121. Much of Marshall's work at the DoD focused on the disparity between Soviet and U.S. naval expenditures. Marshall continued in his position at the DoD Net Assessment office until 2002.

⁴⁵⁷ Milan Vego, "Soviet and Russian Strategy in the Mediterranean Since 1945," in *Naval Strategy and Policy in the Mediterranean: Past, Present, and Future*, John Hattendorf, ed., (London: Frank Cass, 2000),

The potential of a much larger and more powerful Soviet fleet matching that of the United States complicated plans for a conventional war both on the high seas and in continental Europe. Following post-Vietnam War spending reductions, western defense officials argued that U.S. maritime power failed to meet the challenge of the rising Soviet threat. The Atlantic Council, a prominent international affairs think tank, cited threats, including newly commissioned nuclear programs, the “Arab oil weapon”, and the omnipresent Soviet Union. The Atlantic Council commissioned a series of studies and public statements calling attention to the variety of threats to the United States. Members of the working group at the Atlantic Council included career diplomat Harlan Cleveland and retired NATO Supreme Commander Andrew Goodpaster.⁴⁵⁸ In 1977, the Council’s recommendations included a broad expansion of military spending to counter “what the Soviet Navy was up to.”⁴⁵⁹

The chorus of voices advocating a free enterprise model repeatedly found new opportunities to argue in favor of using private sector methods in the defense sector. By 1980, and after several years of revived increases in defense spending, industrial scholar Jacques Gansler called for reforms related to contracting and federal intervention. In spite of the lessons allegedly learned by cost overruns and inefficiencies in the private

193n. Vego notes the Soviets classified the *Kiev* and the *Kirov* classes as guided missile cruisers. The *Kiev*, however, had a flight deck and carried fixed wing aircraft.

⁴⁵⁸ Joseph J. Wolf, ed. *The Growing Dimensions of Security: The Atlantic Council’s Working Group on Security*, (Washington, DC: The Atlantic Council, 1977), ii-20. Financial support of the Atlantic Council came from the Rockefeller Brothers Foundation.

⁴⁵⁹ Harlan Cleveland and Andrew Goodpaster, “Preface,” in Joseph J. Wolf, ed. *The Growing Dimensions of Security: The Atlantic Council’s Working Group on Security*, (Washington, DC: The Atlantic Council, 1977), vii-ix.

defense sector during the Vietnam War, new defense appropriations in the late 1970s followed old formulae. Massive expenditures for new weapons and advanced automation technologies demanded large percentages of the military budget for DoD prime contractors. According to Gansler in his 1980 text *The Defense Industry*, a trend in the private sector was to reduce labor costs and increase automation. Following the private sector's lead, Gansler advised that defense planners had the obligation to follow suit and reduce labor costs.⁴⁶⁰ Suggesting federal intervention in defense contracting, Gansler and other defense experts agreed on the overwhelming ideology of "proper management" by private contracting or corporate methods.⁴⁶¹

In his recommendations for the future of the defense industry, Gansler argued for several possible models to reform a bloated, inefficient, and ineffective Department of Defense. Included in these models were arguments for nationalization, as well as regulation, of the defense industry as a public utility. For what Gansler called "lower levels of the defense industry" or logistics and supply, he argued in favor of a "'free market' model. According to Gansler, the "free market model" existed in industries with "multiple customers and multiple suppliers."⁴⁶² Gansler's last point in his "free market model" was to expand the defense industry to a multinational, interdependent mode of production. In supporting his multinational model, Gansler stated that "the United States

⁴⁶⁰ Jacques Gansler, *The Defense Industry*, (Cambridge: MIT Press, 1982), 3-6. Gansler was also Undersecretary of Defense for Acquisition, Technology, and Logistics from 1997-2001.

⁴⁶¹ Ibid, 187.

⁴⁶² Ibid, 191. Gansler used Department of Labor statistical projections for the 1980s to make his claims, not actual figures collected in previous years.

would consciously decide to not be self-sufficient,” but that this decision would “improve economic efficiency.”⁴⁶³ Gansler’s models, which he touted as “the choices of the best students of the defense industry,” acted as more than recommendations. Perhaps unconsciously, he was outlining what had already happened in the maritime industry.

By 1980, the politics of defense spending and federal management went beyond discussions in congressional committees or in monographs written by experts. Rather, the presidential election cycle again seized upon both the military prowess of the United States and the effectiveness of the federal government. Carter, in spite of several years of new military spending initiatives, could not counter the perception that he was weak on matters of national security. Defense spending in the Carter administration actually increased. The defense budgets between 1976 and 1978 were \$283.8 billion, \$286.2 billion, and \$286.5 billion. In 1979 and 1980, the defense budgets surpassed \$300 billion for the first time since 1973. Inflation in the late 1970s, however, outstripped the buying power of the extra billions devoted to the DoD.⁴⁶⁴

The election season of 1980 featured attacks on the Carter administration’s record on economics and defense policy. Energy crises, a deep recession, and a national “malaise,” as President Carter himself stated, led to a series of assaults on the general economic policy of the country. Seeing an opportunity to blame Carter for high unemployment and low economic growth rates, advocates of deregulation offered new

⁴⁶³ Ibid, 238-240.

⁴⁶⁴ Dina Rasor, “Defense Procurement Information Papers: Campaign ‘84”, *Project on Military Procurement*, August 1984, <http://www.pogoarchives.org/m/ns/defense-procurement-information-papers-1984.pdf>, accessed on November 28, 2015.; Greg Schneder and Renae Merle, “Reagan’s Defense Buildup Bridged Military Eras,” *The Washington Post*, June 9, 2004. <http://www.washingtonpost.com/wp-dyn/articles/A26273-2004Jun8.html>, accessed November 30, 2015.

economic solutions. Heavily influenced by Milton Friedman, “supply-side” economics became a popular alternative to post-World War II Keynesian economic consensus. “Supply-side” proponents argued for removing obstacles to production of goods, such as taxes, regulations, or tariffs. Once removed from the cost of production, private enterprise could propel economic growth to new heights.⁴⁶⁵ The editorial page of the *Wall Street Journal* became the venue for frequent criticism of Carter and advocacy for “supply-side” economics. Editor Robert Bartley informed the two million daily readers of the *Journal* that “supply-side” deregulation and tax cuts could save the economy from the ineffective Carter economic policies. According to the *Washington Post*, Bartley not only turned “supply-side” economics into a household phrase, but also swept Carter out office in 1980.⁴⁶⁶

Carter faced more opposition, within his own party and from the defense establishment. A primary challenge by Senator Edward Kennedy weakened Carter’s reelection campaign. Kennedy’s scandalous past and weak union support, especially in the transportation industry after his advocacy of deregulation, became a fatal flaw in the struggle with Carter for the Democratic nomination.⁴⁶⁷ After surviving the nomination challenge by Kennedy in the primaries, Carter suffered challenging attacks from

⁴⁶⁵ Jude Wanniski, *The Way The World Works: How Economies Fail-and Succeed*, (New York: Basic Books, 1978), 129-132. Wanniski is most often credited with inventing the term “supply-side”, but the concept was developed in conjunction with Milton Friedman and Nixon advisor Herbert Stein. For more, see Robert Bartley, *The Seven Fat Years: And How To Do It Again* (New York: The Free Press, 1992), 13-22.

⁴⁶⁶ Blaine Harden, “The Editor Who Claims to Think Like a President,” *The Washington Post*, July 11, 1982. <https://www.washingtonpost.com/archive/lifestyle/magazine/1982/07/11/the-editor-who-claims-to-think-like-a-president/5315fa17-92be-4418-a512-9f36ede47a39/> Accessed on December 21, 2015.

⁴⁶⁷ Hamilton, *Trucking Country*, 229-232.

members of the military. In May 1980, Congressman Gillespie V. “Sonny” Montgomery of the House Armed Services Committee questioned Chairman of the Joint Chiefs General Edward Meyer on budget and supply issues within the Army. Montgomery asked if the Army had the necessary tools and funding to counter the Soviets. General Meyer told the committee that “we have a hollow army” following budget cuts of the previous decade.⁴⁶⁸ Meyer’s remarks ignited a political firestorm. Recurring mentions of military spending cuts during the 1970s clung to President Carter during his 1980 re-election campaign. The budget battle revived the perception of Carter’s weakness following several foreign affairs fiascos during his term. The Soviet Union invaded Afghanistan in 1979 to support a pro-Moscow government in Kabul. The protests of the Carter administration proved to be insufficient for Republican opponents and hawkish Democrats, such as Montgomery and Henry Jackson of Washington. In addition, agents of the Iranian government stormed the U.S. embassy and took American diplomats hostage. The Iranian debacle for Carter and the United States culminated with a failed rescue attempt of the hostages by the U.S. military.⁴⁶⁹

Restoration of military strength and economic prosperity became the foremost issues in the election battle between Carter and Republican nominee Ronald Reagan. During the Cold War, political campaigns frequently dwelled on issues of spending and military strength. Reagan promised enormous spending increases and his vow to

⁴⁶⁸ Frank Jones, *A “Hollow Army” Reappraised: President Carter, Defense Budgets, and the Politics of Military Readiness*, (Carlisle, PA: U.S. Army War College, 2012), 3.

⁴⁶⁹ Ibid, 3-7.

challenge the Soviet Union following the Afghan invasion found popular support from voters across party lines.⁴⁷⁰ Reagan's campaign against Carter also included calls for devolution of federal powers to the states. Moreover, Reagan's campaign message drew heavily from the deregulatory ideology inspired by Milton Friedman. During the campaign, Reagan argued for a sweeping away of any regulation which burdened businesses that were foundering after the oil crises and other economic ills.⁴⁷¹

Reagan's campaign statement linked military prowess with economic prosperity, especially in his discussions of a rapid reconstruction of both naval and merchant fleets. At campaign stops in regions relying on the maritime industry, Reagan enumerated his platform to "provide a unified direction for all government programs affecting maritime interests."⁴⁷² Reagan's plan called for preservation of shipbuilding and coordinating the totality of the country's maritime abilities for national defense. Reagan's plans echoed the 1968 pledge of Richard Nixon's campaign to "restore the maritime abilities" of the country.⁴⁷³

The collapse of U.S. flagged shipping and maritime labor over the course of the 1970s weighed heavily on any plan for restoration. Reagan's maritime plan reflected the results of economic recession, as well the contraction of the U.S. flagged fleet.

Accordingly, three of Reagan's points reflected the economic ideology of his campaign.

⁴⁷⁰ Koistenen, *State of War*, 54-55.

⁴⁷¹ Bartley, *The Seven Fat Years*, 203.

⁴⁷² Thomas A. Schaff, "Six Years of Maritime Decline", (New York) *Journal of Commerce*, April 8, 1987.

⁴⁷³ Ibid.; Richard Nixon, "A New American Maritime Strategy," in *Nixon Speaks Out: Major Speeches and Statements of Richard M. Nixon in the Campaign of 1968*, (Washington, DC: Nixon Campaign, 1968), 23.

Reagan promised to “reduce the severe regulatory pressures that inhibited American competitiveness” and to “restore the cost competitiveness of U.S. flag operators.”⁴⁷⁴ Finally, the Reagan campaign’s maritime policy pledged to “improve military resources by increasing commercial participation in support functions.”⁴⁷⁵ Reagan’s plan for competitiveness by way of deregulation and “increasing commercial participation” found tremendous support among maritime industry and labor groups.⁴⁷⁶ Andrew Gibson, Nixon’s Federal Maritime Administrator described the plan as “vintage Reagan-visionary but silent on costs or means of implementation.”⁴⁷⁷ Similar to maritime labor’s embrace of containerization in the 1960s, the positive reaction to Reagan’s promises of deregulation cut both ways. The cost by the mid-1980s for laborers and the U.S. shipping industry, which supported the plan, resulted in the near death of the domestic maritime trade.⁴⁷⁸

Between 1971 and 1980, defense and maritime policy took similar courses. With the unbridled spending of the Vietnam Conflict over in the early part of the decade, a reduced defense budget and inflation cut the DoD’s buying power by nearly 40 percent. Nixon administration officials began to introduce new measures to maximize what funds were available to sustain the DoD’s mission. As the leadership at the DoD came from the private sector, individuals such as David Packard used business management methods in

⁴⁷⁴ Thomas A. Schaff, “Six Years of Maritime Decline”, (New York) *Journal of Commerce*, April 8, 1987.

⁴⁷⁵ Ibid.

⁴⁷⁶ Gibson and Donovan, *The Abandoned Ocean*, 255.

⁴⁷⁷ Ibid, 256.

⁴⁷⁸ See Chapters V and VI of this study for implementation of Reagan’s maritime plan.

government work.⁴⁷⁹ “Management” became a buzzword within the DoD, but the term evolved into a preference for using corporate means and measures of costs and benefits for all decisions. By mid-decade, changes in the global financial and economic order changed the management ideology by planners at the DoD. Instead, a belief in blanket deregulation began to appear in their statements and in policies handed down from elected officials to bureaucrats. The outcome of a deregulatory impulse within the DoD and the broader federal government over-corrected spending priorities, especially for maritime logistics. After the election of anti-regulation, “supply side” political candidates such as Ronald Reagan, privatization and automation became a palatable alternative to dealing with labor problems or expenses.

⁴⁷⁹ David Packard, interviewed by Albert Goldberg and Maurice Matloff, transcript, November 9, 1987, Historical Office, Office of the Secretary of Defense, Washington, DC, 12.

CHAPTER V
MAKING WAVES: REAGAN ERA DEFENSE AND
MARITIME POLICY, 1981-1986

In October, 1984, Congressman Bill Nichols of Alabama addressed the annual meeting of the American Logistics Association (ALA) on U.S. naval and maritime policy. Nichols' long congressional career and membership on the House Armed Services Committee lent gravitas to his speech and the proceedings at the ALA's meeting. Nichols' prepared speech included references to the recent revival in U.S. naval spending, which he described as "a rejection of maritime inferiority."⁴⁸⁰ In particular, Nichols highlighted advances made by the Navy in automating and containerizing its daily supply operations and in planning for future missions. The lone point of criticism in Nichols' remarks related to the security of cargoes under the control of the Navy and its uniformed personnel. Nichols noted that the completely military naval supply center in Norfolk, Virginia, was "insufficiently staffed." Later, Nichols mentioned the importance of Norfolk as a center for military logistics as "almost half the items issued to the naval fleet throughout the world are made from that activity."⁴⁸¹ Nichols continued,

⁴⁸⁰ William Nichols, October 8th, 1984, "Remarks of Honorable Bill Nichols Before The American Logistics Association", William F. Nichols Papers, Auburn University Library, Archives and Special Collections, Auburn, AL

⁴⁸¹ Ibid. The term "activity" in this speech was a reference to the Supply Center as a "Naval Support Activity Norfolk".

“At the same time, about half the inventory losses and thefts experienced by six Naval Supply Centers were taking place at Norfolk.”⁴⁸² In this case, the specter of pilferage and theft came under the watch, and at the hands, of military personnel rather than mistrusted maritime workers such as longshoremen. According to Congressman Nichols, navy personnel themselves were responsible for such thefts.⁴⁸³ In spite of a campaign within the Department of Defense (DoD) for the use of “theft-proof” cargo containers and reductions in civilian workers throughout the 1970s, pilferage persisted in military supply centers.

Pilferage and general corruption in the defense sector became an increasing concern during the massive defense buildup of the early 1980s. This chapter will discuss the legislative and regulatory changes in national maritime policy during the early 1980s. Concerns for theft of naval stores and materials paled in comparison to stories of “waste, graft, and fraud” in defense contracting and weapons procurement during same era’s large expenditures for military technology. The Reagan administration’s commitment to “making America great again,” as promised in the 1980 campaign, included a rapid increase in military expenditures over the course of the 1980s.⁴⁸⁴ Lean defense spending in the 1970s gave way to an expansion of the national security state during Reagan’s

⁴⁸² Ibid. Later in his speech, Nichols defined the mission of Naval Supply Systems Command as the supply of all the material needs of the fleet as well as the management of commissaries and exchanges owned and operated by the Navy.

⁴⁸³ Ibid.; “Labor Board Decision In Favor of ILA”, *Norfolk Journal and Guide*, September 18, 1971. The Navy tried to rid the ILA from the grounds of Naval Supply Center Norfolk in 1971. Appealing to the National Labor Relations Board, the ILA won the right to control the piers while naval personnel and civilian employees of the Department of the Navy maintained control of the supply center.

⁴⁸⁴ Thomas A. Schaff, “Six Years of Maritime Decline”, *Journal of Commerce* (New York), April 8, 1987. The terms “make America great again” appears in Reagan’s speech to the maritime industry in 1980.

term. Increases in military spending for new weapons technology, aircraft, and naval vessels expanded U.S. offensive firepower. The expansion of the defense budgets combined with the reduction of currency and Consumer Price Index (CPI) inflation resulted in a near doubling of military spending.⁴⁸⁵ During the boom years of revived military spending, defense contractors reaped the vast majority of funds for the construction of sophisticated aircraft, nuclear missile systems, and the highly touted Strategic Defense Initiative (SDI). Devotion to technological innovation in defense fields began far earlier than the early 1980s. The DoD's commitment to experimental weapons and logistics support during the decade consumed much more funding than in decades past. Included in the defense expansion was a restoration of American maritime supremacy under the direction of Navy secretary, John Lehman. Contractors and congressional leaders who endorsed Reagan and Lehman's "600 ship" Navy plan received or steered the delivery of lucrative contracts to build up the new fleet. In an interview early in his term, when Lehman was asked what the ideal defense system was, he stated, "...one with a part made in every congressional district." Rewarding congressional allies with contracts for their districts became part of the political quid pro quo of the era.⁴⁸⁶ During the Reagan era military buildup, it appeared as if everyone connect to the national security state benefitted from enormous spending increases.

⁴⁸⁵ Office of the Secretary of Defense, Comptroller, "National Defense Budget Estimates for FY 1985." http://www.dod.mil/pubs/foi/Reading_Room/Selected_Acquisition_Reports/NationalDefenseBudgetEstimates_FY1985_March1984.pdf. In 1980s dollars, defense spending including the budget and discretionary spending grew from \$303 billion in 1980 to \$426 billion by 1985. 1980 consumer prices fell by nearly 32 percent between 1980 and 1985 based on the CPI. For more on comparative consumer prices and inflation measures, see Bureau of Labor Statistics, <http://data.bls.gov/cgi-bin/epicalc.pl?cost1=1.00&year1=1979&year2=1985>

⁴⁸⁶ "ILA Leader Discusses Election," *Norfolk Journal and Guide*, August 19, 1981.; Robert O'Connell, *Sacred Vessels: The Cult of the Battleship and the Rise of the U.S. Navy*, 319-320. Lehman held a PhD in

Calls for reform of defense contracting came after highly publicized episodes of “waste, graft, and corruption” in military procurement became a recurring theme during the mid-1980s. Repeated stories of “\$1200 hammers” and “\$6000 flashlights” paid for by defense contracts paled in comparison to billions spent on faulty or inoperable weapons systems. The Project on Military Procurement (PMP) compiled hundreds of pages of quotes and news reports discussing billions of dollars in procurements for missiles, armored personnel carriers, and naval vessels that did not work. Frequent reports in national and local media discussed faulty equipment, contractor quid pro quo and kickbacks, or rigged tests of weapons systems as endemic in defense contracting. The media reports raised enough of a public outcry to prompt calls for contracting reforms by 1985.⁴⁸⁷

Even during the age of expanded military, especially naval, spending, federal maritime funding and legislation failed to maintain the decreasing fleet of U.S. flagged ships. Beyond emergency defense sealift needs, normal economic shipping of increasing amounts of imported goods dominated the cargo market for both U.S. and foreign shipping firms. As part of a continuing effort to integrate the United States into ocean

Economics from the Wharton School of Business at the University of Pennsylvania and would later be appointed to the boards of several defense corporations and conservative, pro-commerce think tanks. Lehman was also identified as an enemy of organized labor by the ILA. George and Meredith Friedman, *The Future of War: Power, Technology and American World Dominance in the Twenty-First Century*, (New York: St. Martin’s Press, 1998), 19. The Friedmans declared the US reliance on antiquated or, as they called it, “senile” weapons systems in the late Cold War as the ultimate inefficiency. The re-decking of the *Iowa*-class ships was completed using the original material, Teak. The re-teaking of the decks of the *Iowa*, *New Jersey*, *Wisconsin*, and *Missouri* cost millions more than 1980s era materials.

⁴⁸⁷ Dina Rasor and Donna Martin, “Campaign ‘84”, *Project on Military Procurement*, August 1984. <http://www.pogo.org/our-work/reports/90s/defense-procurement-information-papers.html> Accessed on January 9, 2016. Since you also refer to news reports, you should include some examples in the citation as well.

trading and commerce, Congress passed several maritime reform laws with the full support of the Reagan administration. Important legislative reform acts included the Farm Bill of 1984 and the Shipbuilding Act of 1985.⁴⁸⁸ Each act's impact on the maritime industry and shipping methods intended to capture the zeitgeist of an increasingly deregulated, automated, and globalized maritime industry. Ocean commerce reform laws intended to increase competition and to preserve the maritime industrial base. Instead, legislative efforts opened to the floodgates of non-US flagged shipping or accelerated outsourcing of shipbuilding. Finally, automation and globalization starting with the invention of cargo container led to the final collapse of U.S. shipping and the domestic maritime economy during the 1980. Effects on defense logistics wouldn't be obvious until later in the 1980s and into the 1990s. The deregulatory ideology, which permeated Reagan era efforts and reforms, however, undercut the ability of the United States to follow through on its military commitments.⁴⁸⁹ Without regulations intended as employment and security safeguards for the United States, the domestic shipping and sealift fleet continued to wither in the 1980s.

The historiography of defense, maritime, and labor events tied to technology, increased spending, and automation discussed these subjects as separate, discreet concepts. Paul A.C. Koistinen's *State of War: The Political Economy of American*

⁴⁸⁸ By the mid-1980s, agricultural products constituted an increasing amount of waterborne U.S. exports. For the effects of the Farm Bill on ocean commerce, see Public Law 99-198. <https://www.gpo.gov/fdsys/pkg/STATUTE-99/pdf/STATUTE-99-Pg1354.pdf>. Accessed on February 12, 2016.

⁴⁸⁹ Michael Gordon and Bernard Trainor, *The General's War: The Inside Story of the Conflict in the Gulf*, (Boston: Little, Brown and Company, 1994), 232. Chapter VI of this study will discuss developments in the late 1980s and early 1990s. The sealift preparations for Operation Desert Shield illustrate the damage inflicted on American maritime prowess as a result of federal and DoD neglect.

Warfare explained the complex interplay between Cold War military necessities, contractor interests, and the vast sums of money devoted to defense spending. Koistinen paid particular attention to the symbiotic relationship between the DoD and large defense contractors. The author argued that by the mid-1980s too close a relationship existed between DoD officials and large scale contracting firms.⁴⁹⁰ Moreover, Koistinen illustrated the role that dependence on expensive technology and automation played in substantially increased defense budgets. Finally, Koistinen described the relationships between contractors and DoD officials as a form of corruption and criminality. Koistinen stated that no corruption charges came as a result of improper relationships, wasted spending on inoperable military systems, or graft in defense spending. By contrast, maritime workers and unions in the same era suffered under the burden of perpetual federal investigation.⁴⁹¹ Similarly, Andrew Bacevich argued in *Washington Rules: America's Path to Permanent War* that a defense spending “consensus” developed among politicians during the Cold War. Bacevich discussed the restoration of the “consensus” with renewed vigor and vast budget increases after comparatively low levels of spending in the 1970s. The “consensus” that Bacevich described consisted of major defense appropriations by members of Congress regardless of political party. This “consensus” included collusion between government and private sector figures in order to channel funding into technologically sophisticated and profoundly expensive weapons

⁴⁹⁰ Paul A.C. Koistinen, *State of War: The Political Economy of American Warfare, 1945-2011* (Lawrence, KS: University of Kansas Press, 2012), 24-26.

⁴⁹¹ *Ibid.*, 27.

systems.⁴⁹² Koistinen and Bacevich focused entirely upon the financial and political origins of increased spending in the 1980s. Rather than offering a detailed critique of individual policies or aspects of the military economy, however, both Koistinen and Bacevich discussed broad strokes such as political ideology or contracting corruption in their criticisms of defense budgets or policymakers in the Reagan administration.

Scholars of early 1980s political history highlight the economic ideology of the Reagan administration with varying degrees of success. Sean Willentz detailed the environment in which the supply-side and deregulatory ideologies dominated in the early 1980s in *The Age of Reagan: 1974-2008*. Willentz was quick to state that he did not wish to “add to the copious literature of either hagiography or vilification” about various political leaders. While Willentz is fair in his analysis of the Ford, Carter, Reagan, and Bush administrations, he also added little to the discussion of economic conditions, which factored into decisions or events.⁴⁹³ Daniel Rodgers, on the other hand, discussed economic reforms introduced by the Reagan administration in detail in *Age of Fracture*. Rodgers illustrated policy and legislative initiatives during the first Reagan term that deregulated the transportation industry. Rodgers offered a nuanced and well-informed approach when noting that “deregulation was a radical project before it became a conservative one.”⁴⁹⁴ Deregulation as a governing philosophy grew out of the “stagflation” era of the 1970s. Conservative writers such as Robert Bartley, William F.

⁴⁹² Andrew Bacevich, *Washington Rules: America's Path to Permanent War* (New York: MacMillan, 2010), 149-154.

⁴⁹³ Sean Willentz, *The Age of Reagan: 1974-2008, A History* (New York: Harper Collins, 2009), 1-3.

⁴⁹⁴ Daniel Rodgers, *Age of Fracture*, (Cambridge, MA: Belknap Press of Harvard University Press, 2011), 134.

Buckley, and economist Milton Friedman favored the “unleashing of private enterprise” to solve the problems government created or could not solve. Removing government regulations became the political solution for an anemic transportation industry racked by economic slowdown and energy crises. The principle of the “government that governs best governs least” became a plank in Reagan’s platform in the election of 1980 and for much of his administration.⁴⁹⁵ Rodgers overwhelmingly focused on deregulation of the airline and ground transportation industries. His study disregarded the focus of this work, the maritime economy. Ships carried nearly 95 percent of cargo in the 1980s, a far higher number than the relatively small scale road and rail industries.⁴⁹⁶

Government reform became a frequent method of addressing allegations of waste, graft, and corruption in federal spending. Alan I. Marcus, in his article “‘Would You Like Fries With That, Sir?’: The Evolution of Management Theories and the Rise and Fall of Total Quality Management Within the American Federal Government,” noted the popularity of a variety of scientific management theories in the federal and defense sectors, especially in the 1970s and 1980s. The purpose of the wide array of management theories, according to Marcus, was to correct unproductive or inefficient behaviors in federal workers. Marcus’s article covers events in the later 1980s and 1990s when the government adopted the organizational reform program known as Total Quality Management (TQM). TQM claimed to improve productivity of workers using statistical

⁴⁹⁵ Robert L. Bartley, *Seven Fat Years: And How to Do It Again*, (New York: Free Press, 1995), 122.; Gil Troy, *The Reagan Revolution: A Short Introduction* (New York: Oxford University Press, 2009), 104. Troy traces a deregulatory philosophy to previous Republican politicians including Buckley and Barry Goldwater. Bartley was the editorial page editor of the *Wall Street Journal* during the 1970s and 1980s.

⁴⁹⁶ Salvatore Mercogliano, “Sealift: The Evolution of American Military Sea Transportation,” (Ph.D. Dissertation, University of Alabama, 2004), 339.

modeling and privatization. According to Marcus, no agency “embraced the managerial ethos more passionately than the Defense Department.”⁴⁹⁷ Rather than a late 1980s development, this chapter aims to reorient the privatization of defense logistics to much earlier in the decade.

Recent studies of labor’s decline in the 1980s highlighted the effect of several Reagan administration decisions for worker rights and union strength. Jefferson Cowie’s study of labor in the late 1970s and early 1980s described the era as “Waterloo for unions and regulators.”⁴⁹⁸ Cowie’s description of the 1980’s decline of unions included more analogies. “The turbulent waters of the 1970s,” wrote Cowie about unions, “roared with a vengeance during the 1980s.”⁴⁹⁹ The most important labor decision of the early Reagan years was the mass firing of Professional Air Traffic Controllers Association (PATCO) strikers in 1981. PATCO strikers were not only fired by Reagan, but he permanently barred them from federal employment. Cowie described the banning of PATCO members as the “fist-in-glove” manner the Reagan administration dealt with working class institutions such as public employee unions.⁵⁰⁰ Cowie’s treatment of labor’s rapid decline through the 1970s and into first years of the Reagan administration culminates with the PATCO strike and its aftermath. PATCO leaders were led away from

⁴⁹⁷ Alan I. Marcus, “‘Would You Like Fries with That, Sir?’: The Evolution of Management Theories and the Rise and Fall of Total Quality Management within the American Federal Government”, *Management & Organizational History*, 2008, Vol.3, No.4, 311-313. According to the DoD, TQM’s purpose was intended to “continuous improvement of products and services.” Included in the definition of products and services was “acquisition and logistics”.

⁴⁹⁸ Jefferson Cowie, *Stayin’ Alive: The 1970s and the Last Days of the Working Class*, (New York: The New Press, 2010), 296.

⁴⁹⁹ Ibid, 296.

⁵⁰⁰ Ibid, 362.

courtrooms in shackles by federal agents, and permanent ban of members from federal employment led to the union's dissolution. Cowie concludes that public employees and transportation workers feared a fate similar to that of the fired air traffic controllers. Laborers avoided conflicts with management in the 1980s for fear of losing what little they had left after the economic erosion of the 1970s.⁵⁰¹ Cowie, however, treats the 1970s and early 1980s as a prologue to a larger story of labor's collapse in later decades without further explanation. Major deindustrialization did not take place until later in the 1980s and 1990s. Beyond a few anecdotes, Cowie failed to integrate his story into trends such as globalization or outsourcing.

Scholars of maritime history illustrated waning employment for workers following automation and the crippling of unions under federal investigation. Andrew Gibson and Arthur Donovan described the 1980s as "the approaching end" of U.S. maritime relevance.⁵⁰² In spite of spending increases during the decade "strongly linked to military readiness," Gibson and Donovan argued that deregulation and automation decimated the maritime labor pool by the late 1980s.⁵⁰³ The two countervailing trends, an expansion of military spending and decreased maritime employment, only widened in disparity during the decade. Gibson and Donovan's work is a well-informed text and a rare example of a history of American maritime policy. Their text, however, rarely

⁵⁰¹ Ibid, 362.

⁵⁰² Andrew Gibson and Arthur Donovan, *The Abandoned Ocean: A History of United States Maritime Policy*, (Columbia, SC: University of South Carolina Press, 2000), 218-259.

⁵⁰³ Ibid, 3, 259.

discussed important details such as individual pieces of legislation or decision makers who shaped policy.⁵⁰⁴

Challenges contributing to the decline of maritime unions came in the form of federal investigations of organized crime activity. Former federal prosecutor James Jacobs argued that mafia infiltration of maritime unions delegitimized the broader goals of organized labor. Jacobs spent much of his section on the 1980s exploring pursuits of the mafia in maritime labor. Following passage of the Racketeer Influenced and Corrupt Organizations (RICO) Act, the new law empowered the government to seize or takeover of organizations linked to criminal activity.⁵⁰⁵ According to Jacobs, the pension fund for the ILA at the port of New York became a mafia slush fund. The federal government first used RICO to purge unions, including the ILA, in the early to mid-1980s. Frequent investigations by the Department of Justice (DOJ) and repeated references to the ILA as an asset of organized crime perpetuated decades-old charges of rampant criminality along the waterfront.⁵⁰⁶ Jacobs' position as the prosecuting U.S. District Attorney in the Southern District of New York lent gravity to his assertions. That said, his past as a prosecutor in maritime labor cases also weakens his work. Jacobs' uncritical chronicle of DOJ efforts as a righteous crusade in the 1970s and 1980s delegitimized the veracity of his text. Furthermore, Jacobs and the DOJ's use of the media to try suspects in the court

⁵⁰⁴ Ibid, 242-263.

⁵⁰⁵ James Jacobs, *Mobsters, Unions, and Feds: The Mafia and the American Labor Movement*, (New York: New York University Press, 2006), 323.

⁵⁰⁶ Ibid, 324; "13 Seized in Brooklyn in Waterfront Inquiry", *The New York Times*, July 27, 1987.

of public opinion constituted an abuse of power during the RICO prosecutions.⁵⁰⁷ Other texts, such as Marc Levinson's *The Box* and Leon Fink's *Sweatshops at Sea*, illustrate the further weakening of seafaring and waterfront unions. Levinson and Fink discuss the long decline of waterfront jobs during the 1960s and 1970s. Levinson and Fink also noted that the 1980s witnessed a tipping point when unions ceased to be a major force in effecting policy.⁵⁰⁸ Finally, both authors blamed deregulation and automation for maritime labor's steep decline.

This chapter's purpose is to illustrate the deregulation of the maritime industry and automation technologies on the national security waterfront.⁵⁰⁹ In the 1960s, the cargo container's invention and subsequent partial adoption by the DoD occurred in conjunction with the private sector's near universal use of the "box." DoD officials from the private sector, such as Robert McNamara, supported the military's use of the

⁵⁰⁷ Ibid, xiv-xvi. For more on the methods the DOJ uses media to pre-dispose juries and the public on the guilt of suspects or the indicted, see Matthew Bunker, *Justice and the Media: Reconciling Fair Trials and the Free Press*, (New York: Routledge, 2013).

⁵⁰⁸ Marc Levinson, *The Box: How the Shipping Container Made the World Smaller and the World Economy Bigger*, (Princeton, NJ: Princeton University Press, 2005), 237; Leon Fink, *Sweatshops at Sea*, (Chapel Hill, NC: University of North Carolina Press, 2012), 1-3, 176-182. Fink goes as far as to blame British and American deregulation efforts for the rise in registrations of ships to country's with "flags of convenience" for the rapid decline of maritime labor's power in the 1970s and 1980s. "Flag of convenience", or registering a ship in the Bahamas, Liberia, or Panama, meant the ships operated by the labor and regulatory laws of those countries. Countless British and American corporations used "flags of convenience" as a method of outsourcing. Fink also opens his text with the story of the *Maersk Alabama*'s 2011 capture by Somali privateers. The *Maersk Alabama* was also a U.S. Navy Military Sealift Command (MSC) contracted ship. Fink's uses the capture story as a symbol of class warfare at sea and describes the *Alabama*'s mostly foreign national crew as a "maritime proletariat."

⁵⁰⁹The "National Security Waterfront" was an outgrowth of the Cold War era "National Security State." Beginning in 1947, military preparedness influenced the vast majority of national economic and policy decisions. The "National Security Waterfront" describes the maritime logistics aspects of the Cold War military buildup. For more on the labor and shipping concerns of the U.S. military, please see Chapters II-IV of this study. For more on the broad strokes of national policy under the auspices of the National Security State, see Douglas T. Stuart, *Creating the National Security State: A History of the Law that Transformed America*, (Princeton, NJ: Princeton University Press, 2008), 1-8.

container and automated methods to limit labor costs. Throughout the 1970s, new methods of managing substantial cuts in defense budgets increased DoD's attention to private sector methods of cargo transport.⁵¹⁰ The near universal adoption of the container by deregulated, globalized shipping firms by the early 1980s informed legislative and regulatory changes in federal maritime management. Defense planners already predisposed to follow the lead of private contractors embraced the globalized shipping model provided by shipping firms and containerization. This chapter will also connect the disparate aspects of expanded defense spending of the early 1980s and the increased reliance on private contracting for all facets of military preparedness. Coupled with deregulation of the maritime economy, automation and outsourcing of military logistics reached reality by the middle of the decade.

At the beginning of Ronald Reagan's term of office, his administration and Congress attempted to reform the federal budget fulfilled a campaign promise to "unleash the private sector." In his first inaugural address, Reagan succinctly laid out his vision of reform in the aftermath of economic and governmental problems of the 1970s. According to Reagan, "In this present crisis, government is not the solution to our problem; government is the problem."⁵¹¹ Reagan's first months as president featured a broad agenda, which targeted inefficient areas of federal spending for deregulation or to remove governmental obstacles to private enterprise. Using executive orders, Reagan

⁵¹⁰ Please see Chapters III and IV of this study for discussions of the cargo container's adoption and associated technological innovations, labor disputes, defense austerity of the 1970s, and the rise of the deregulation movement.

⁵¹¹ Ronald Reagan, "First Inaugural Address", January 20, 1981. *The American Presidency Project*. <http://www.presidency.ucsb.edu/ws/?pid=43130>. Accessed March 22, 2016.

instructed Office of Management and Budget (OMB) director David Stockman to “reduce the burdens of existing and future regulations.”⁵¹² The Reagan administration’s early deregulatory efforts included allowing the Interstate Commerce Commission (ICC) broad latitude in removing fixed prices on rail and road transportation rates. Price controls and limited competition in the railroad industry failed to correct the decline of several major rail corporations in the 1970s. In the deregulatory experiments of the early 1980s, removal of price controls on cargo and load restrictions on train cars allowed struggling rail companies to improve their profits.⁵¹³ Legislative allies of the Reagan administration aggressively pursued a broad deregulatory agenda. Beginning in 1981, new legislation deregulating transportation, radio and television, and the banking industry appeared in both houses of Congress. With legislation stalling because of procedural matters or opposition in Congress, the Reagan administration turned to executive action.⁵¹⁴ When deregulation failed in government, however, corporations began to look to unregulated environments overseas. Beginning in the late 1970s and accelerating through the 1980s, American corporations began to relocate entire factories to countries

⁵¹² Executive Order 12291, February 17, 1981. <https://www.archives.gov/federal-register/codification/executive-order/12291.html> Accessed March 22, 2016.

⁵¹³ Thomas Gale Moore, “Deregulation and Re-Regulation of Transportation”, *The Cato Institute*, July 8, 1982. <http://www.cato.org/pubs/pas/pa012.html> Accessed March 10, 2016. Moore, a fellow at the Hoover Institution and an opponent of restrictive regulations, described his opponents as the “Nader-left”. Ascribing anti-business values to consumer advocate Ralph Nader, Moore attempted to delegitimize opponents of deregulation.

⁵¹⁴ Heidi R. Young, “The Deregulation of Commercial Television”, *Fordham Urban Law Review*, Vol. 12, No. 2 (1983). <http://ir.lawnet.fordham.edu/cgi/viewcontent.cgi?article=1226&context=ulj> Accessed March 10, 2016.; Matthew Sherman, “A Short History of Financial Deregulation in the United States”, *Center for Economic and Policy Research*, July 2009. <http://cepr.net/documents/publications/dereg-timeline-2009-07.pdf>. Accessed March 10, 2016. Both Young and Sherman indicate that the Reagan administration used executive power to deregulate industries it could when legislation failed to pass the House or Senate.

with favorable tax codes and limited labor or environmental regulations. Across all sectors of the economy, consumer goods producers moved manufacturing plants for automobiles, electronics, and even food production to locations overseas.⁵¹⁵

Deregulation coupled with companies bypassing regulations by moving production to cheaper markets persisted in later years. The origins of what became known as outsourcing, however, came from reform movements of the early years of the Reagan administration.

Regulatory reform occurred simultaneously with another Reagan campaign promise to rapidly expand defense spending. Taking office after vowing to restore American military prestige, Reagan and his Secretary of Defense Caspar Weinberger pursued new defense appropriations to counter the Soviet Union's expanded spending of the 1970s. According to historians Allen Millett and Peter Maslowski, Reagan's planned expansion of nuclear and non-nuclear preparations and weapons systems was "nothing short of a fusion of Ike's 'rollback' and 'New Look' with JFK's 'flexible response.'"⁵¹⁶ Weinberger's aggressive lobbying within the Reagan administration and on Capitol Hill paid dividends. Weinberger's efforts led to the largest defense budgets since the mid-1960s. Between 1981 and 1985, the defense budget grew by 56 percent. By some estimates, the Reagan administration and congressional appropriators spent nearly \$2.4

⁵¹⁵ Erik Loomis, *Out of Sight: The Long and Disturbing Story of Corporations Outsourcing Catastrophe*, (New York: The New Press, 2015), 2-5. Loomis' text focuses on environmental disasters brought to otherwise pristine places overseas by American corporations looking to avoid labor, health, and pollution regulations. He identifies the economic ideology professed by Reagan advisor Milton Friedman as an inspiration and indicator of the beginnings of outsourcing.

⁵¹⁶ Allan Millett and Peter Maslowski, *For the Common Defense: A Military History of the United States*, (New York: Free Press, 1995), 615.

trillion on defense during that period.⁵¹⁷ New technology and modernization of the armed forces accounted for the majority of expenses in the early 1980s.

The centerpiece of expanded spending under Reagan and Weinberger was a modernized “600 ship” navy plan. While some of the new vessels came from appropriations before Reagan took office, Navy Secretary John Lehman ensured that the new administration received credit for the increased American presence on the high seas.⁵¹⁸ Curiously, modernization of the fleet included high levels of spending on new technology for old platforms. Lehman’s plan recommissioned dozens of older ships, including the notoriously obsolete World War II-era *Iowa*-class battleships. The *Iowa*-class returned to the fleet with state of the art missile systems at the cost of nearly \$2 billion a ship. Newly build cruisers were less than half the price of obsolete *Iowa* class.⁵¹⁹ Early in the process of tremendous new commitments in defense spending and technology, questionable choices in procurement hampered the bold new efforts of the Reagan administration.

Coupled with upgrading obsolete systems, the monetary problems of the late 1970s complicated attempts to boost military spending. According to the Office of Management and Budget (OMB), cost increases affected “the defense industry at a much higher rate than the general economy.”⁵²⁰ Inflationary pressures on the economy and

⁵¹⁷ Ibid, 616.

⁵¹⁸ Ibid, 616.

⁵¹⁹ O’Connell, *Sacred Vessels*, 320.

⁵²⁰ U.S. House of Representatives, Committee on Government Operations, “The Effect of Inaccurate Inflation Projections on Department of Defense Budget,” October 21, 1981, 7. William F. Nichols Papers, Auburn University Library, Archives and Special Collections, Auburn, AL

federal spending subsided by 1982. The havoc wrought by inflation in previous years weighed heavily on appropriations and slowed deliveries of defense programs. Contractors faced higher costs for materials and commodities such as aluminum and oil. Assistant Secretary of Defense-Comptroller John Quetsch's testimony before the House Government Operations Committee indicated that inflation decimated the defense budget. In one Government Accounting Office (GAO) report, "anticipated inflation equaled 41.59 percent of the total current cost estimates...or approximately \$129 billion."⁵²¹

Monetary policy and inflation only accounted for some cost concerns in defense spending. According to Quetsch, management and accounting solutions introduced in the Nixon and Ford years increased inefficiencies in defense spending. New accounting and administrative standards began in 1971 as a broader effort by Deputy Secretary of Defense David Packard to introduce managerial reforms.⁵²² The continuous auditing of contracts, however, added wasted time and effort to already inefficient practices. For example, the GAO found massive waste in purely administrative costs at Newport News Shipbuilding and Drydock. As the only shipyard capable of building or repairing nuclear powered aircraft carriers, which was a cornerstone of Reagan's military buildup plan, Newport News became an exemplar for "good" budgeting. According to DoD estimates in the early 1980s, new accounting and oversight standards "added \$13 million annually to defense contracts" for carrier construction alone between 1972 and 1980.⁵²³ Reagan

⁵²¹ Ibid, 9.

⁵²² See Chapter IV of this study for the accounting and auditing practices at the DoD under David Packard's leadership.

⁵²³ Ibid, 10.

administration officials, already pre-disposed to remove regulatory obstacles argued for a reversal of DoD regulations or budget increases. Quetsch noted that “if inflation...turns out to be higher than forecasted back in 1977 when the program was fully funded, program reduction or budget shortfalls” were inevitable.⁵²⁴

Shortly thereafter, Secretary Weinberger sought more appropriations and rolled back accounting and oversight standards. Not only did the Reagan DoD boost military spending, but it also began to deregulate the contracting process. According to Weinberger, much of his early reform agenda at the DoD was designed to “fight waste and to save taxpayer dollars.”⁵²⁵ Weinberger’s campaign to cut waste in weapons systems took aim at direct annual congressional oversight of defense budgets and individual procurement contracts. Discussing a congressional vote on the 1982 defense budget, Weinberger described the U.S. government as a “poor customer,” which needed “multi-year procurement” to maximize the efficiency of increases in defense spending. Concluding his plea to Congress, Weinberger argued that his “top priority” in the acquisition of new weaponry was to do so in a manner “that this country can afford and [is] consistent with our economic recovery efforts.”⁵²⁶ Weinberger summed up his call for multi-year procurement as a method of “providing real dollar savings and a preservation of our defense industrial base.”⁵²⁷ The reform agenda at the Weinberger

⁵²⁴ Ibid, 7-9.

⁵²⁵ Caspar Weinberger to Bill Nichols, “Memorandum”, July 17, 1981. William F. Nichols Papers, Auburn University Library, Archives and Special Collections, Auburn, AL.

⁵²⁶ Ibid.

⁵²⁷ Ibid.

DoD was clear; expanded defense spending required less management and regulatory authority in order to stabilize ailing defense plants and contractors. Targeting wasteful spending with annual reviews of budgets or individual systems ended during Weinberger's tenure at the DoD.

While budgetary reform became enormously important in the early 1980s, a similar recalibration in federal labor practices came to the forefront during the first years of the Reagan administration. In August of 1981, a dispute between federal management and air traffic controllers became the flashpoint in a battle that ended labor's ability to strike at will. The Professional Air Traffic Controllers Organization (PATCO) contended that the stressful nature of the work caused psychological and physical maladies to the union's members. In order to mitigate illness and stress, PATCO demanded concessions, including higher wages and lower hours, from the federal government over the course of the 1970s.⁵²⁸ In spite of PATCO's endorsement of Reagan in the election of 1980, the new administration failed to reach an agreement with the union over wages and hours in the summer of 1981. PATCO went on strike in early August, and chaos ensued both in the air and on the ground. President Reagan threatened to fire the 13,000 air traffic controllers over the strike, which grounded thousands of flights and brought the transportation economy to a halt.⁵²⁹

Looking to assert his authority and rebalance the labor/federal management relationship, Reagan imposed the full weight of federal power on PATCO and its

⁵²⁸ "View from the Cockpit", *The New York Times*, August 13, 1981.

⁵²⁹ Ibid.

members. Reagan's promises of terminating air traffic controllers coupled with a familiar litany of anti-labor rhetoric and federal investigations of the union from decades past. After filing injunctions describing the work stoppage as a violation of the Taft-Hartley Act, the Reagan administration called on PATCO officials to end the strike. In a courtroom showdown between the union and the Reagan administration, a federal judge found PATCO's leadership to be in violation of the injunction and led them away in handcuffs for waiting television cameras.⁵³⁰ The Reagan administration summarily fired the 13,000 striking PATCO members and replaced them with temporary labor and even military air traffic controllers. Even with temporary labor, it took several years to retrain new controllers after the Reagan administration banned former PATCO members from federal employment.⁵³¹ The precedent set by the PATCO situation reduced the frequency of work stoppages or aggressive stances by workers long after the strike. Transportation workers, even highly skilled ones like air traffic controllers, were replaceable in the post-PATCO era.

Anti-labor attitudes in the early Reagan years also affected waterfront workers. Industrial safety regulations at marine terminals added greatly to costs, and employers often cut corners. In spite of automation, death or severe injury plagued maritime communities nationwide.⁵³² The International Longshoreman's Association (ILA)

⁵³⁰ Cowie, *Stayin' Alive*, 232. Cowie failed to identify PATCO's arrested leaders.

⁵³¹ Ibid, 233, "View from the Cockpit", *The New York Times*, August 13, 1981. The PATCO court hearing took place at the federal courthouse in Brooklyn, NY. Numerous mafia trials and RICO cases brought against other labor organizations in the 1980s also took place at the same courthouse. Media coverage of those trials noted the familiarity of the courthouse door for mafia and labor leaders in the same breath.

⁵³² Joseph Leonard, ILA Safety Director to George T. Dunlap, U.S. Secretary of Labor, June 27, 1975; Joseph Leonard to Ray Marshall, U.S. Secretary of Labor, April 4, 1979. Records of Secretary of Labor Raymond J. Donovan, 1981-1984; Box 121; Records of the Department of Labor, Record Group 174;

appealed to legislators and several presidential administrations during the 1970s to address unsafe conditions along the waterfront. In 1981, the ILA asked Senator Orrin Hatch, the newly installed chair of the Senate committee On Labor and Human Resources, to investigate safety codes at the nation's docks and terminals. In his letter to Secretary of Labor Ray Donovan, Hatch requested a "fresh look by your [Donovan's] administration at the problem and advise us of your recommendations."⁵³³ Renewed federal attention to the waterfront had mixed results. ILA appeals to Hatch and the Labor Department resulted in executive scrutiny of recurring rumors of criminality among longshoremen. Donovan's response to Hatch and Senator Sam Nunn of the Senate Armed Services Committee highlighted the "activities and convictions of certain officials of the ILA."⁵³⁴ According to Donovan, any discussion of safety or compensation for worker injuries had to take place in light of "serious crimes related to the conduct of union business."⁵³⁵ In the same week, Hatch's committee received more public appeals from the ILA and Donovan's office issued press releases pledged a "serious inquiry" of the longshoreman union.⁵³⁶ In an odd turn of events, Donovan strangely included the

National Archives, College Park, MD. The ILA safety director included a list of dozens of longshoremen killed along the docks of New York and New Jersey as evidence of bad working conditions. Leonard charged that neglected safety regulations by private employers led to death or dismemberment.

⁵³³ Orrin Hatch to Ray Donovan, February 5, 1981. Records of Secretary of Labor Raymond J. Donovan, 1981-1984; Box 121; Records of the Department of Labor, Record Group 174; National Archives, College Park, MD.

⁵³⁴ Ray Donovan to Sam Nunn, February 21, 1981. Records of Secretary of Labor Raymond J. Donovan, 1981-1984; Box 121; Records of the Department of Labor, Record Group 174; National Archives, College Park, MD.

⁵³⁵ Ibid.

⁵³⁶ Press Release, Office of Public Information, United States Department of Labor, "Labor Secretary Donovan Pledges Inquiry Into Serious Crimes By Union Officials," February 23, 1981. Records of Secretary of Labor Raymond J. Donovan, 1981-1984; Box 121; Records of the Department of Labor,

ILA in a discussion of the mafia-infiltrated Teamsters Union. Responding to the ILA's safety demands, Donovan issued press releases with references to "pending litigation in the Teamsters Central States' Pension Fund."⁵³⁷ The pension fund case had nothing to do with the ILA or safety on the waterfront.⁵³⁸ Instead, the Labor Secretary cleverly conflated the ILA with the notorious Teamsters and reinforced the persistent image of the criminal longshoreman.

Meanwhile, the Department of Justice (DOJ) turned its investigative attention toward the ILA. Armed with the newly minted Racketeer Influenced and Corrupt Organizations (RICO) act, the DOJ pursued investigations and potential indictments against unions and other organizations allegedly permeated by organized crime. Congress passed RICO in 1970 to try and convict organized crime or "corrupt organization" leadership for ordering subordinates to engage in criminal behavior. Throughout the late 1970s and early 1980s, the DOJ indicted and won convictions with RICO as a catchall law covering various aspects of public corruption.⁵³⁹ Following a five

Record Group 174; National Archives, College Park, MD. Secretary Donovan's files at NARA represent the totality of documents from his time at the Department of Labor. In an exhaustive search of his dealings with the ILA, it appears Donovan only dealt with the union as a result of direct congressional inquiries or criminal investigations of other labor groups.

⁵³⁷ Ibid.

⁵³⁸ Hoffa's racketeering conviction and prison term led to federal indictment of the Teamsters Union itself in the 1960s and 1970s. Moreover, allegations of Teamsters corruption led to mass deregulation of the trucking industry in the 1970s. For more on the role of federal indictments leading to de-legitimization of unions, see Shane Hamilton, *Trucking Country: The Road to America's Wal-Mart Economy*, (Princeton, NJ: Princeton University Press, 2008), 107-207.

⁵³⁹ Jacobs, *Mobsters, Unions, and Feds*, 144-146. Jacobs also notes the permeation of corruption in dozens of unions in New York. Jacobs notes that even Hugh Carey, the governor of New York during the 1970s, drew millions in illegal campaign contributions in cash from trucking, garbage, and government employee unions. While these contributions were discovered in the waterfront investigation, no indictments came down from the DOJ for any unions save the ILA and the International Brotherhood of Teamsters. For more on the Scotto indictment, conviction, and appeal, see U.S. v. Anthony M. Scotto and Anthony Anastasio, http://www.ipnsn.org/court_cases/us_v_scotto-appeal_1980-09-02.htm. Accessed March 19, 2016.

year FBI sting operation, the DOJ won a RICO conviction for racketeering of ILA officials Anthony Scotto and Anthony “Tough Tony” Anastasio. The FBI investigated ILA locals in Philadelphia, Baltimore, Wilmington, NC, Miami, and Mobile. According to former federal prosecutor James Jacobs, only the investigation of ILA locals in New York harbor yielded any evidence of corruption. Shipping firms, however, participated in bribery of mafia figures in order to ensure the loading and unloading of their ships. While they escaped prosecution, union officials did not.⁵⁴⁰ Stories of Anthony Scotto’s rule of the ILA and the Brooklyn waterfront and stories of mafia shakedowns made sensational headlines in New York media. Nightly stories of organized crime figures broadcast from the largest media market in the country rippled from coast to coast. Mobsters on the waterfront became a frequent story on national newscasts, often with references to the 1954 film *On The Waterfront* with *Godfather* star Marlon Brando. With only the corruption in New York, the trope of the criminal dock worker became an oft-repeated national story in the early 1980s.⁵⁴¹ At a time when military maritime firepower underwent a renaissance, the civilian maritime sector appeared to be mired in the corruption of the past.

Accusations of corruption or waste on the waterfront added to criticism of subsidizing the U.S. flagged fleet for military purposes. Thrusting the relatively obscure

⁵⁴⁰ Ibid, 50-51. New York harbor included dozens of ILA locals, both in the state of New York and the state of New Jersey. Shipping firms, deemed legitimate businesses by the DOJ were deemed victims of organized crime and not prosecuted. In Jacobs’ later chapters, he makes reference to federal lawsuits brought against these firms with financial penalty, not criminal prosecution.

⁵⁴¹ Lee Bernstein, *The Greatest Threat: Organized Crime in Cold War America*, (Amherst, MA: University of Massachusetts Press, 2002), 57, 212.

matter of military ocean transportation into the national conversation, the *New York Times* published several opinion pieces from “experts” in the maritime industry.⁵⁴² Speaking from a position of authority, former House Merchant Marine Committee staffer Charles Fager described subsidies to the maritime industry as “giving free dope to a junkie.”⁵⁴³ He even acknowledged that “we [the United States] need maritime subsidies to make sure we have enough cargo ships to supply our military forces overseas in case of a long, non-nuclear war.” Fager, however, argued that “these programs have been wracked by revelations of waste, graft, impropriety, and corruption.”⁵⁴⁴ Fager acknowledged the President’s sensitivity to cutting any program connected to national defense. In his closing, Fager argued that “making extensive use of foreign shipping” while cutting maritime subsidies would “eliminate waste and abuse and strengthen national security.”⁵⁴⁵ The echoing of “waste, graft, and corruption” as a trio of charges against the maritime industry recurred before, during, and after 1980s.

Following Fager’s initial charge against subsidies, opponents and supporters of maritime subsidies took to the editorial page of the *New York Times* to reargue the need for a domestic maritime industry. A key issue for many of them was subsidizing the shipping industry. Author and journalist David Fairbank White’s opinion piece on

⁵⁴² Anthony J. Eksterowicz and Robert North Roberts, *Public Journalism and Political Knowledge*, (New York: Rowman and Littlefield, 2000), 124. The authors state that the *New York Times* as the national newspaper of record became an instrument of “transmitter of expert opinion” through its Op-Ed pages.

⁵⁴³ Charles Fager, “Sink Maritime Subsidies”, *The New York Times*, March 23, 1981. Fager’s short biography in the article references his position of knowledge as a Republican staffer for the House Merchant Marine and Fisheries Committee.

⁵⁴⁴ Ibid.

⁵⁴⁵ Ibid.

October 6, 1981 listed the benefits of maintaining the subsidy system. White wrote, “in 1962, there were 44,423 seafaring jobs in the nation; 23,000 exist today.”⁵⁴⁶ Beyond practical unemployment concerns, White also referenced the security needs of the United States in maintaining subsidies. According to White, “without shipping and merchant convoys, we are unable to maintain significant contact with allies or have a significant presence overseas.” White continued, “in the last 20 years, [the Soviet Union] has steadfastly increased the size of its fleet, from 4.5 million tons in 1960 to 21.6 million tons in 1980...the Soviet merchant fleet recently surpassed the United States fleet in total tonnage.”⁵⁴⁷ White’s forewarning of the security consequences of the shipping industry’s decline was met with retorts from the shipping industry. Philip J. Loree, chair of the maritime industry’s lobbying group, the Federation of American Controlled Shipping, wrote a similar op-ed in the *New York Times* shortly after White. Loree argued that the “indisputable fact” of U.S. shipping’s decline was a result of “spiraling costs of payroll and shipbuilding.” Instead of reducing subsidies, Loree called for a reduction in “non-competitive costs as the starting point” for a revitalization of U.S. flagged shipping. According to Loree, “non-competitive costs” included expensive laborers.⁵⁴⁸ Uncompetitive or corrupt labor, not lucrative corporate subsidies, appeared to be the recurring problem.

⁵⁴⁶ David Fairbank White, “Reforging U.S. Hulls”, *The New York Times*, October 6, 1981.

⁵⁴⁷ Ibid.

⁵⁴⁸ Philip J. Loree, “U.S. Ships Should Look To Costs, Not Subsidies”, *The New York Times*, October 13, 1981.

In spite of promises by the Reagan administration to preserve the U.S. maritime economy, business interests looked to extend deregulation to cargo preference requirements. For decades, the Cargo Preference Act of 1954 required a fixed percentage of exports and federal contracts to employ U.S. flagged shipping. The percentage of cargo volume varied, but business interests claimed that “U.S. shipping charges more than 300% above the world average.”⁵⁴⁹ Foreign flagged vessels could only be used in emergencies or when U.S. flagged shipping was unavailable. Beginning in 1983, the Reagan administration and labor allies in Congress, such as Rep. Mario Biaggi of New York, proposed the Ocean Shipping Act to expand the cargo preference.⁵⁵⁰ According to even the staunchest opponents of the preference, the purpose behind the Ocean Shipping Act was “to achieve the laudable goal of a stronger, more efficient and competitive merchant marine.”⁵⁵¹ Labor and shipping interests with remaining U.S. flagged hulls supported the legislation as an instrument to “remove regulatory handicaps” and as a preservative measure for the faltering U.S. shipping economy. The ILA-backed Maritime Institute for Research and Industrial Development (MIRAID) persisted in lobbying members of Congress to pass the Act in order to “reform and clarify the regulatory authority of the Maritime Administration.” MIRAID’s desire for regulatory reform was at the heart of their plea for congressional support. Their hope of stripping unneeded regulations related to the pre-container shipping economy was aimed at preserving what

⁵⁴⁹ The Fertilizer Institute to William Nichols, June 26, 1983. Nichols Papers What is this? Is it a letter, an article?

⁵⁵⁰ H.R. 1878, 98th Congress, 1st Session, <https://www.congress.gov/bill/98th-congress/house-bill/1878> Accessed on January 14, 2016

⁵⁵¹ Ibid.

little was left of the domestic maritime economy and employment base.⁵⁵² Meanwhile, non-maritime business interests coordinated a lobbying campaign against the cargo preference. Farming interests represented by the Washington-based Fertilizer Institute claimed that using U.S. flagged shipping increased transportation costs “adding 30% to the value of agricultural exports.”⁵⁵³ The coordinated campaign included pre-addressed postcards sent by farmers to their respective members of Congress. Congressional offices received hundreds of these postcards, each with identical text informing the reader that “cargo preference has been a burden to farmers and taxpayers.” The direct mail campaign concluded with the request that Congress permanently “sink the cargo preference” while also rejecting the new shipping act.⁵⁵⁴ Ultimately, the cargo preference remained in place, but the new shipping act failed to win congressional approval. The battle between maritime labor and agricultural interests, however, continued well into the mid-1980s.

Fractures in the maritime industry contributed to the confusion in ocean legislation and policy. In late 1983, lower numbers of U.S. flagged ships meant limited employment opportunities for union mariners. Meanwhile, Cunard Lines attempted to re-flag two of their ocean liners for Jones Act trade.⁵⁵⁵ Re-flagging of the *Cunard Princess*

⁵⁵² Julien H. Singman to William Nichols, October 13, 1983.

⁵⁵³ The Fertilizer Institute to William Nichols, June 26, 1983. William F. Nichols Papers, Auburn University Library, Archives and Special Collections, Auburn, AL

⁵⁵⁴ Elbert L. Butlee to William Nichols, “Sink the Cargo Preference” postcards. William F. Nichols Papers, Auburn University Library, Archives and Special Collections, Auburn, AL

⁵⁵⁵ The Merchant Marine Act of 1920 was also known as the Jones Act. The law required ships operating in cabotage trade to be built and registered in the United States. Cabotage is the shipping of persons or goods within the borders of a particular country. For more on the initial development of the Jones Act, see Chapter II of this study.

and *Cunard Countess* offered service and expanded their share of the lucrative Jones Act trade routes between New York and Puerto Rico. Acquiring Jones Act exemptions proved difficult because both were built and registered in Denmark. Cunard attempted to shepherd H.R. 2883, a Jones Act-exemption for the two ships, through Congress in September 1983. Serious opposition to the bill came from shipbuilding management and shipyard labor interests.⁵⁵⁶ While a relatively small affair and only involving two ships, schisms within the broad base of the maritime community came to the surface over H.R. 2883. While shipbuilders opposed the reflagging bill, the Seafarers International Union (SIU), an affiliate of the ILA, supported the act. The SIU argued that two new ocean liners in U.S. coastwise trade could create “nearly 1,000 new maritime jobs,” “support shore side jobs,” and “bolster a very slim U.S. troop-carrying capability.”⁵⁵⁷ In its support of H.R. 2883, SIU President Frank Drozak argued in favor of the two ships’ admission to coastwise trade while upholding the “sanctity of the Jones Act.” According to Drozak, SIU’s support of HR 2883 in no part reflected concessions by the SIU to “the Reagan administration’s ‘build-foreign’ proposals.”⁵⁵⁸ Introduced by Congressman Clay Shaw of Florida and pro-labor Congressman Mario Biaggi of New York, the bill found heavy support in the House Merchant Marine and Fisheries Committee. In spite of union shore side and shipboard labor support, the bill died in the House due to overwhelming

⁵⁵⁶ “Why the SIU Supports Bill to Re-Flag Ships,” *Log: Official Publication of the Seafarers International Union*, Vol. 41, No. 8, September 1983. The Jones Act and subsequent amendments to the law required U.S. flagged ships to be built in the United States unless Congress granted a special dispensation.

⁵⁵⁷ *Ibid.*

⁵⁵⁸ *Ibid.*

opposition from shipbuilders, shipyard workers, and House leadership.⁵⁵⁹ Divided interests, economic pressures, and political maneuvering ultimately halted Cunard's expansion into the American market. Moreover, the division of maritime interests deprived a rare opportunity for maritime labor to reverse their souring fortunes.

Countervailing interests, between labor and business, as well as within the federal government, led to a fractured approach to regulatory reform at sea and on land. In October 1983, the Reagan administration attempted to streamline the federal bureaucracy and procurement process. As part of his larger deregulation and reform agenda, Reagan noted that his program intended to attack "waste and fraud" in the government by "getting this government running as honestly and efficiently as any successful American business."⁵⁶⁰ Reagan enumerated his administration's cost and paperwork cutting measures at the General Service Administration (GSA), "all while absorbing budget cuts of 20 percent and the attrition of 7,000 employees."⁵⁶¹ Reagan similarly lauded the Department of Defense for "\$16.1 billion in savings," which he attributed to "savings or cost avoidances on waste and fraud."⁵⁶² Reform 88, the government wide program launched by the Reagan administration in 1982, coordinated all federal streamlining or

⁵⁵⁹ H.R. 2883, A Bill to Admit Certain Passenger Vessels to the Coastwise Trade, Introduced May 3, 1983. <https://www.congress.gov/bill/98th-congress/house-bill/2883/all-actions-without-amendments> Accessed January 17, 2016. In the reason for removal from the legislative calendar, the actions summary of the bill stated the ambiguous "official objections." House leadership, comprised of a Democratic majority at the time, set and edited the legislative calendar.

⁵⁶⁰ Ronald Reagan, "Remarks at a White House Briefing for Administration Officials on Federal Management Reform," August 2, 1983. *Public Papers of the Presidents of the United States, Ronald Reagan, July 2-December 31, 1983.*

⁵⁶¹ Ibid.

⁵⁶² Ibid.

attacks on “waste and fraud” in federal procurement. Reagan concluded that “management systems in every department” had one goal. “When this administration leaves the stage, the American people will have a federal government that operates in a businesslike manner.”⁵⁶³ The numerous references to “waste and fraud” and cuts to budgets and personnel laid the cornerstone for much of the Reagan administration’s broader reform efforts.

Budgetary reforms and cuts included targeting federal subsidies to the maritime industry. In August of 1983, the Reagan administration proposed large reductions in, or total abandonment of, maritime shipbuilding and operating subsidies. The channeling of nearly \$10 billion sustained domestic shipbuilding and repair yards. These subsidies had partially offset the long decline in U.S. maritime infrastructure since the 1950s.⁵⁶⁴

Meanwhile, yards in Japan, South Korea, and Brazil grew to build the majority of global shipping over the same time period. Rather than citing “waste and graft” as a reason for the reduction of the subsidies, the Reagan administration cited “inefficiency” at U.S. yards as the purpose of the cuts.⁵⁶⁵ The editorial board of the *New York Times* argued that the maritime industry could not compete with “foreign yards, where cheaper labor and material...put ships on the market for one-third the cost of similar models built in the United States.”⁵⁶⁶ Retired navy admiral Harold Sheer, the Reagan-appointed Federal

⁵⁶³ Ibid.

⁵⁶⁴ “U.S. Shift on Ship Aid Cited”, *The New York Times*, August 29, 1983.

⁵⁶⁵ Ibid.; Russel Honore, (Lieutenant General [retired], United States Army), Interview with the author, November 15, 2015. LTG Honore identified foreign shipbuilding as a major contributor to the downfall of the domestic maritime industry.

⁵⁶⁶ Ibid.

Maritime Administrator, argued that subsidies were “exorbitant and ineffective.” Shortly thereafter, Sheer allowed shipping firms to use subsidy money purchase and operate non-US built ships for the first time since World War I.⁵⁶⁷ In response, domestic shipbuilders warned of an impending disaster for their existence and the maintenance of skilled maritime labor. According to the Shipbuilders Council of America, only one non-military ship had been ordered at U.S. shipyards in 1983.⁵⁶⁸

With shippers allowed to purchase overseas built cargo vessels, an important link in the maritime industry and maritime labor faltered. In spite of supporting the Ocean Shipping Act, the Reagan administration’s choice of ending shipbuilding subsidies proved disastrous for the maritime industry in subsequent years. The fractured approach to maritime policy, with some acts supporting and others damaging labor, was not part of a sinister plot. Rather, as one longshoreman explained, “it was a case of too many cooks in the kitchen.”⁵⁶⁹ Fractured interests inside the government and the maritime industry set policy adrift.

Budgetary reforms and reduction of subsidies became a focal point of the 1984 presidential campaign. While Reform 88 aggressively cut the federal budget, incidents of “waste and fraud” at the Department of Defense became an embarrassment for the Reagan administration’s campaign for re-election. The Project on Military Procurement (PMP), a non-profit that investigated federal budgetary abuses, turned its investigative

⁵⁶⁷ Ibid.

⁵⁶⁸ Ibid.

⁵⁶⁹ Benjamin Holland (President, International Longshoreman’s Association, Beaumont, TX), Telephone Interview with the author, telephone interview, September 2, 2014. According to ILA Gulf Coast president Holland, “we lost real numbers (of longshoremen) in the mid-80s.”

lens to the DoD in 1984.⁵⁷⁰ Stating that the “\$200 billion deficit” in the federal budget was the most pressing issue of the campaign, PMP listed a litany of failed defense systems and the exorbitant prices paid for failure. Describing the DoD’s expense euphemistically as “more bucks, less bang,” PMP opened their study with a December 1981 quote from then OMB director David Stockman. Stockman promised to “really go after the Pentagon. Hell, I think there is a kind of swamp of \$10 to \$20 to \$30 billion worth of waste that can be ferreted out if you really push hard.”⁵⁷¹ Three years following Stockman’s statement, PMP used dozens of subsequent quotes to illustrate the continued corruption, waste, and contractor excesses at the DoD. The chair of the Senate Government Affairs Committee stated in 1984 that “trying to fix responsibility for waste in the Pentagon is like ‘trying to nail Jell-O to the wall.’”⁵⁷² PMP’s introduction to their study included a sample of defense contractor-supplied household items billed to the DoD at outrageous prices. Included in the list was the “\$1100 dollar hammer” and the “\$9600 Allen wrench.” The accounting of the Allen wrench was particularly egregious according to the PMP. In a line-item analysis of the wrench’s development, PMP included the original contract for an 8 cent wrench and \$9608 in administrative costs passed on to the DoD by contractors at General Dynamics and Westinghouse.⁵⁷³

⁵⁷⁰ Dina Rasor and Donna Martin, “Campaign ‘84”, *Project on Military Procurement*, August 1984. <http://www.pogo.org/our-work/reports/90s/defense-procurement-information-papers.html> Accessed on January 9, 2016.

⁵⁷¹ Ibid, 4.

⁵⁷² Ibid, 7.

⁵⁷³ Ibid, 32.

Much of PMP's research came from a flurry of national media reports on a variety of similarly out of control programs costing significantly "more bucks" with "less bang." The investigative journalism of the *Washington Post*, the *Fort Worth Star-Telegram*, and other media outlets focused on federal budgetary blunders throughout the early and mid-1980s. PMP re-printed the *Post's* reports of DoD cost overruns measured in billions of dollars worth of undelivered or faulty systems.⁵⁷⁴ PMP reproduced 100s of media stories illustrating the prevalence of rank waste and corruption in defense contracting.⁵⁷⁵

PMP's aggregation of media reports illustrated extraordinary waste and corruption in exemplary programs, such as the Army's Bradley Fighting Vehicle, the Air Force's Maverick missile and the Navy's AEGIS cruiser. The Bradley, a protected troop transport vehicle, and the Maverick, an air-to-ground missile, both required expensive redesigns following failed tests for basic functionality. Mannequins of soldiers inside the Bradley melted or burned when the vehicle was hit with test rounds, and the Maverick failed to hit the majority of targets.⁵⁷⁶ The Hughes Corporation manufactured the Maverick and was under continuous investigation by the Defense Contract Audit Agency (DCAA). The DCAA became the lone regulatory and oversight body for military procurement within the DoD following the failure of Congress to provide oversight on multi-year projects in 1981.⁵⁷⁷ With no congressional oversight on multi-year projects,

⁵⁷⁴ Fred Hiatt, "Millions of Dollars Involved," *The Washington Post*, July 7, 1984.

⁵⁷⁵ *Ibid*, 32, 36, 122.

⁵⁷⁶ *Ibid*, 32-37.

⁵⁷⁷ Casper Weinberger to Bill Nichols, July 17, 1981. William F. Nichols Papers, Auburn University Library, Archives and Special Collections, Auburn, AL

the DCAA had complete authority in investigating allegations of weak contract controls, waste, or corruption. DCAA auditors and investigators, however, found “no evidence of waste” in the Maverick project at Hughes. One DCAA auditor, who proclaimed the missile system and its contract free of waste, left his government job and shortly thereafter went to work for Hughes as a well-compensated executive.⁵⁷⁸ According to an ABC News report on the program *20/20*, Hughes and the DCAA had a “cozy relationship,” which allowed for immediate hires and similar breaches in professional ethics. PMP also noted that whistleblowers, or reporters of waste or corruption often lost their jobs or received no legal protection when they were sued or prosecuted for their disclosures.⁵⁷⁹ PMP similarly compiled a multi-page list of media reports discussing high-level military officers and civilian bureaucrats at the DoD who found lucrative employment with defense contractors after their departure from government service. Conflicts of interest abounded, so much so that PMP described the DoD to private sector transition as a “revolving door syndrome which operated as a subtle form of bribery.”⁵⁸⁰

PMP’s investigation of maritime spending focused on the Aegis Missile Defense system. The Aegis system integrated radar and weapons systems designed to protect an aircraft carrier battle group or a supply convoy at sea. Initially procured in the mid-1970s, the U.S. Navy outfitted *Spruance* class destroyers with integrated missile, Gatling gun, and radar systems to protect more valuable capital ships in the fleet. Screening ships,

⁵⁷⁸ Ibid, 65. PMP became the Project On Government Oversight (POGO). Their complete analyses of corruption and waste in military spending can be found on their website, www.pogo.org.

⁵⁷⁹ Ibid, 68.

⁵⁸⁰ Ibid, 81.

called that because they screened fire against battleships, carriers, and convoys in the two World Wars, found little support for construction or use during the early decades of the Cold War. The Soviet naval buildup of the mid 1970s spurred the renewal in screening ship production. The Aegis system's development anticipated massed fleet battles or convoys crossing the Atlantic in a hypothetical conventional war with the Soviets. Moreover, the Aegis system would also engage underwater targets, such as Soviet attack submarines attacking a fleet or convoy. In addition, 1970s weapons developments including air or sea launched anti-ship missiles that Aegis's integrated rail or Gatling guns could hypothetically shoot down.⁵⁸¹ Aegis's shielding capability would provide an umbrella of protection around the fleet or convoy. The automated and integrated aspects of the Aegis system, however, required decades of testing and billions in development costs. According to PMP, each experimental Aegis *Ticonderoga*-class cruiser cost at least \$1 billion in 1984 dollars. The *Ticonderoga* class came in at a little more than half the price of the much larger, much more complex, and nuclear-powered *Nimitz*-class aircraft carriers of the day.⁵⁸²

PMP's inclusion of the *Ticonderoga*-class and the Aegis system as "Weapons That Don't Work" seemed appropriate considering the cost and time involved in development. Protection from anti-ship missiles was the purpose of the Aegis system's development. In tests conducted throughout the early 1980s, the Aegis system did not

⁵⁸¹ John Pike, "CG-47, Ticonderoga Class," *Global Security White Paper*, <http://www.globalsecurity.org/military/systems/ship/cg-47-history.htm> Accessed January 13, 2016.

⁵⁸² Ibid. The *Nimitz*-class *Abraham Lincoln*'s "sail away" cost in 1984 was \$2.07 billion, roughly the same as two *Ticonderoga*-class cruisers. For Consumer Price Index and cost comparisons between 1984 dollars and 2016 dollars, see <http://data.bls.gov/cgi-bin/cpicalc.pl?cost1=470%2C000.00&year1=2016&year2=1984>

identify or engage 75 percent of incoming, low flying test missiles. When the tests were changed to increase the altitude of the incoming test missiles, Aegis identified 90 percent of incoming targets. Secretary of Defense Caspar Weinberger described the test results as an indication of “human error” and that the automated aspects of Aegis were “fully operational.” Navy Secretary John Lehman also blamed the test failures on human error and argued for “crew rotations” to ensure only the best sailors worked on the system. The *New York Times* editorial board even described changes in the parameters of the Aegis test as “Procurement, Soviet style.”⁵⁸³ While leadership at the DoD and the Navy had faith in the automated aspects of Aegis, unrealistic testing condition and an inability to engage the targets it was designed to destroy caused PMP to describe the system as “vulnerable.”⁵⁸⁴

The Aegis system and its failure, however, proved to be an indication of larger problems of procurement methods and resistance to reform at the DoD. According to PMP, alluring technological and automated solutions to defense problems came at a high financial cost with limited oversight. Newspaper or television investigations into defense waste or fraud created a public firestorm of protest and letter writing campaigns to members of Congress. Afterward, members of Congress held public hearings and pressed DoD officials on obvious cases of waste and abuse. Senators William Roth and David Pryor drafted legislation aimed at adding realistic, wartime testing procedures to procurement and testing. In response, Secretary of Defense Weinberger and Under

⁵⁸³ “Chinks in the Armor”, *The New York Times*, July 5, 1983.; Rasner and Martin, “Campaign ‘84”, 116.

⁵⁸⁴ “Chinks in the Armor”, *The New York Times*, July 5, 1983.

Secretary of Defense for Research and Technology Richard DeLauer lobbied against rigorous testing while products were under development. Both Weinberger and DeLauer offered an alternative proposal, to test military products only *after* their procurement and manufacture.⁵⁸⁵ In public statements, DeLauer criticized the legislation as well as Roth, Pryor, and other members of the Congressional Military Reform Caucus. According to DeLauer, members of the caucus were “cutting [DoD] up into pieces,” and the Reagan administration was “getting no place” in its effort to support the country’s defense industry.⁵⁸⁶ DeLauer’s past made him all too aware of expensive procurements and the desires of defense contractors to maintain the status quo. Prior to guiding the DoD’s procurement policy, DeLauer served as executive vice president at defense contractor TRW. At TRW, he led the company’s non-functioning and profoundly expensive ballistic missile defense program.⁵⁸⁷ Shortly after Weinberger and DeLauer opposed procurement reform efforts in Congress, legislation aimed at altering testing and funding matters at the DoD failed to secure passage. In their conclusion, PMP authors described the organizational culture at the DoD as “lacking the will” to reform. They continued, “taxpayers and the servicemen are their constituents, not the dozen or so major corporations whose primary concern is not national security, but profit.”⁵⁸⁸

⁵⁸⁵ Rasner and Martin, “Campaign ‘84”, 98.

⁵⁸⁶ Ibid, 99.

⁵⁸⁷ “DeLauer Named Chief of Defense Research”, *Science*, March 20th, 1981. The article detailed DeLauer’s support for broad, expensive programs such as Anti-Ballistic Missile (ABM) shield.

⁵⁸⁸ Rasner and Martin, “Campaign ‘84”, 99.

Major financial outlays for technology enhanced “cozy” relationships between the DoD and contractors during calls for reform during the 1980s. Overwhelming prime contractor influence in the defense sector went beyond stories of waste and corruption. These stories of influence represented persistent cases of the government as a monopolistic buyer of the contractor’s products. Repeated commitment to research and development (R&D) throughout the 1970s and 1980s accelerated the share of the DoD’s budget devoted to expensive technology. By the mid-1980s, economist Ann Markuson stated that the DoD sponsored nearly 70 percent of R&D in the United States.⁵⁸⁹ The vast majority of the DoD’s R&D budget went to contractors who were building new aerospace systems, including aircraft, missiles, and the expensive centerpiece of the Reagan administration’s nuclear umbrella, the Strategic Defense Initiative (SDI). SDI, dubbed “Star Wars” by its proponents, aimed to build a space borne laser system to shoot down inbound Soviet nuclear warheads. Building such a complex system required vast sums of DoD dollars. According to the Congressional Budget Office (CBO), SDI cost \$1.1 billion in 1983 and \$3.1 billion in 1984. The CBO also projected that by 1989, the missile shield would consume nearly \$69 billion dollars annually or 16 percent of the DoD’s budget.⁵⁹⁰

⁵⁸⁹ Ann Markuson, et. al., *Rise of the Gunbelt: The Military Remapping of America*, (New York: Oxford University Press, 1991), 212.

⁵⁹⁰ “Analysis of the Costs of the Administration’s Strategic Defense Initiative, 1985-1989”, Congressional Budget Office Staff Working Paper, May 23, 1984, 5-8. https://www.cbo.gov/sites/default/files/98th-congress-1983-1984/reports/doc05_2.pdf Accessed on January 26, 2016. DoD’s budget in 1981 was roughly \$200 billion and \$430 billion by 1989. Thus, the initial annual procurement for SDI rose from a mere 0.5 percent of the DoD budget in 1981 to the enormous sum by 1989.

SDI, however, represented merely the latest expensive system, which required the appropriation of tremendous sums of taxpayer money be transferred to conglomerated defense corporations. The legacy of the first several years of the Reagan administration included a \$2.4 trillion expansion of defense spending, the majority of which went to private contractors for new weapons systems.⁵⁹¹ Promised budget streamlining during Reagan's 1980 campaign and his presidency failed.⁵⁹²

In the midst of scandals and outrageous price tags in defense procurement, the DoD consulted and contracted private corporations for logistics support. Defense logistics became an exemplar for waste within the federal government in the early 1980s. The Navy's Military Sealift Command (MSC) similarly became a standard of inefficiency. The Reagan administration attempted to merge the MSC with a similarly tasked organization, the Military Transportation Management Command (MTMC), but the effort failed in a spectacular fashion.⁵⁹³ The DoD contracted private consulting firm Harbridge House to find alternatives to the use of redundant agencies.⁵⁹⁴ In their reports to Congress in 1981 and 1982, Harbridge House criticized the DoD for its failure to containerize for all military goods. The management consultants of Harbridge House ultimately recommended that the DoD universally adopt the cargo container and private

⁵⁹¹ Millett and Maslowski, *For the Common Defense*, 612.

⁵⁹² Markuson, et. al., *Rise of the Gunbelt*. 212.

⁵⁹³ Mason Reid Shafer, "Backing into the Buzzsaw: The Defense Department's Attempt to Merge the Military Transportation Management Command and the Military Sealift Command, 1973-1984," (Ph.D Dissertation, American University, 2001), 1-2.

⁵⁹⁴ Ibid, 107-147.

sector methodology to be in line with the commercial shipping industry. Harbridge House concluded that the “cost effective measure” of automation would result in “a far more efficient agency.”⁵⁹⁵

Shortly after the publication of Harbridge House’s recommendations, in 1984 and 1985, the Department of the Army conceived of a larger role for private contractors in wartime emergencies and operations. The Logistics Civil Augment Program (LOGCAP) became a catchall program built to “preplan for the use of civilian contractors to perform selective services in wartime.”⁵⁹⁶ Normal Army or even wartime operations utilized some civilian workers on a regular basis for logistical support. LOGCAP, however, specified new contractor based roles to assist in “supply, maintenance, and transportation” in support of Army operations. According to LTG (Retired) Russel Honore, “the idea then [mid-1980s] was how you use a lean supply chain for ‘just in time delivery’...when we went to ‘just in time’, the budget was tight as was the timeline.”⁵⁹⁷

Private transportation contractors, such as Federal Express and Kellogg, Brown, and Root pioneered “Just In Time” delivery of military goods. The development of “just in time,” however, grew out of Japanese automobile manufacturing in the 1960s and 1970s, not logistics. “Lean,” or minimal manpower or material support on hand, assumed

⁵⁹⁵ Shafer, “Backing into the Buzzsaw,” 147.

⁵⁹⁶ “Logistics Civil Augmentation Program”, *Army Regulation 700-137*, (Washington, DC: Department of the Army, 1985), 1-5. <http://www.aschq.army.mil/gc/files/AR700-137.pdf> Accessed on March 1, 2016. While the document is dated December 1985, articles and decisions referred to within the document date to 1984.

⁵⁹⁷ Russel Honore, (Lieutenant General [retired], United States Army), Interview with the author, November 15, 2015.

supply chains were constant and uninterrupted by unforeseen events.⁵⁹⁸ In the case of LOGCAP or other logistics innovations of the 1970s or 1980s, “just in time” methods of prime contractors became the method used by the DoD. LOGCAP allowed “the contractor to be as self-sufficient as practical” in wartime operations.⁵⁹⁹ The Army allowed private contractors rights only afforded to seafarers and longshoremen aboard ship and along the piers in the United States. Under the auspices of LOGCAP, private contractors were protected by “the insurance available under the Defense Base Act and Longshoreman’s and Harbor Workers Compensation Act...administered by the Department of Labor.”⁶⁰⁰ In short, private contractors now had the same liability coverage as longshoremen while working under Army contract without union membership. Rather than legislating changes to the labor/management relationship *vis a vie* longshoremen, the DoD found an administrative and doctrinal solution to the vexing issues of workers and their financial and regulatory compensation. Private contractors could avoid using union labor and maintain their lucrative relationships with the DoD under LOGCAP. Adopting the private sector solution to “perform selective services in wartime” became a frequent occurrence in defense contracting.⁶⁰¹

Logistics matters again came to the legislative forefront in the mid-1980s during enormous upheaval in the U.S. and global maritime economies. The rapidity with which

⁵⁹⁸ Ibid.; “Logistics Civil Augmentation Program”, 6.; Richard T. Lubbin, *Just-In-Time Manufacturing: An Aggressive Manufacturing Strategy*, (New York: McGraw-Hill, 1988), 193. Lubbin uses Apple and Toyota’s “Just In Time” supply chain as an exemplars of good logistics management and shipping.

⁵⁹⁹ “Logistics Civilian Augmentation Program”, 9.

⁶⁰⁰ Ibid, 9.

⁶⁰¹ Ibid, 9.

containerization, automation, and outsourcing to non-U.S. flagged ships only increased over time. Large scale corporations, usually manufacturers of consumer goods, began to merge or acquired their way into the maritime transportation industry during the late 1970s. New corporate conglomerates attempted to bring their lean management methods to ocean shipping including mass containerization and construction of container ships. The prime example of conglomerates purchasing shipping firms was tobacco manufacturer RJ Reynolds acquisition of cargo container inventor Malcom McLean's SeaLand Corporation in 1978.⁶⁰² SeaLand at its time of purchase was by far the largest containerized shipping firm in the United States.⁶⁰³ SeaLand's containership experiments reached new levels of technological sophistication after its purchase by RJ Reynolds. The *SL-7s* cargo ships, built in Europe for SeaLand and designed for very fast speeds, large numbers of containers, and automation to reduce crew costs represented the peak of cargo ship technology of the era. The *SL-7s*, however, proved too expensive to operate because of high rates of fuel consumption upon their completion.⁶⁰⁴

Containerization of American-owned shipping, construction of fast ships overseas, and

⁶⁰² Levinson, *The Box*, 241.

⁶⁰³ Ibid, 241. Large scale corporate conglomeration and vertical integration of supply-chain oriented companies became a frequent phenomenon. Vertical integration, the purchasing of smaller companies devoted to the production and shipment of one item, was the most popular style of conglomeration. RJ Reynolds purchase of SeaLand fell into the latter category. For more on conglomeration, see Gerald Davis, Kristina Diekmann, Catherine H. Tinsley, "The Decline and Fall of the Conglomerate Firm in the 1980s: The Deinstitutionalization of An Organizational Form", *American Sociological Review*, 54, 4, (August 1994), 547-570.

⁶⁰⁴ U.S. Navy, "Fast Sealift Ships", *Fact File*. http://www.navy.mil/navydata/fact_display.asp?cid=4700&tid=100&ct=4. Accessed January 28, 2016, U.S. Navy, "Algol-Class", *Naval Vessel Register*, <http://www.nvr.navy.mil/nvrships/details/AKR287.htm> Accessed January 28, 2016. According to one estimate, the *SL-7s* consumed six 55-gallon barrels of fuel per mile.

lowering numbers of laborers proved to be the way of the future in spite of the *SL-7s* failure.

The maritime industry's future included further deregulation in light of the cargo container's influence. Containerization's effect on the economics of shipping demanded attention from legislators. Between 1980 and 1984, containerization grew ocean commerce at an annual rate of 4 percent a year, outperforming GDP growth in the same time period.⁶⁰⁵ Regulators and members of Congress argued that this growth could be even higher if aspects of the Jones Act controlling the trade of foreign-flagged carriers, and price controls maintaining an advantage for U.S. flagged shipping were swept away. The Shipping Act of 1984 quickly ended price controls and created a "more competitive" ocean commerce economy.⁶⁰⁶ The new law codified the deregulatory predilections of the Reagan administration. The Shipping Act required the Federal Maritime Commission (FMC) to align American ocean commerce "in harmony with, and responsive to international shipping practices." The predominant international shipping practice was containerization.⁶⁰⁷ The Act strangely weakened the FMC's position as defender of U.S. flagged shipping while also demanding "the development of an economically sound liner

⁶⁰⁵ Federal Trade Commission, "An Analysis of the Shipping Act of 1984", October 1989, 11. <https://www.ftc.gov/sites/default/files/documents/reports/analysis-maritime-industry-and-1984-shipping-act/198911maritime.pdf> Accessed on March 1, 2016. Historian Marc Levinson's 2009 dissertation and appended historiographic essay called for "a complete evaluation of the Shipping Act of 1984" and the effects of deregulation on the container industry. This study is incapable of a total and final discussion of the Act's effect on the industry. The economic analysis by the Federal Trade Commission from 1989, however, provides excellent information for a complete picture of the Act's impact on shipping.

⁶⁰⁶ Ibid, 9.

⁶⁰⁷ Federal Maritime Commission, "Recodification of Federal Maritime Commission Responsibilities under the Shipping Act of 1984", 1. http://www.fmc.gov/assets/1/Page/The_Shipping_Act_of_1984_Re-Codification.pdf Accessed March 20, 2016.

fleet capable of meeting national security needs.”⁶⁰⁸ Rapidly changing and containerizing ocean commerce induced a government response that was contradictory.

Tremendous upheaval in maritime affairs similarly complicated the DoD’s plan to supply a war with the Soviet Union. Naval historian Salvatore Mercogliano argued that the Navy’s “adoption of the so-called ‘maritime strategy’” ignored the collapse of the merchant fleet during 1970s and early 1980s.⁶⁰⁹ This “maritime strategy” differed from the Reagan campaign’s 1980 promise to restore the U.S. commercial maritime industry through targeted subsidies for shipbuilding. The updated naval strategy at DoD focused entirely on military spending and warfighting. The strategy planned for a three-stage conventional war with the Soviet Union for control of the sea lanes of communication between the U.S. and western Europe. The broad and ambiguous strategy called for overwhelming numbers of aircraft carriers and submarines to engage the Soviets on the high seas. The core of the new naval strategy became offensive weaponry. Meanwhile, merchant shipping mattered little.⁶¹⁰

During a hypothetical World War III, mariners and merchant shipping would have had several roles to fulfill in support of the overall mission plan. The Military Sealift Command, merchant mariners, and longshoremen would have reinforced and resupplied the U.S. and NATO mission in western Europe. In addition, the United States would maintain supply lines for food stuffs and basic commodities to sustain the economies and

⁶⁰⁸ Ibid, 1.

⁶⁰⁹ Mercogliano, “Sealift”, 336.

⁶¹⁰ Frederick Hartman, *Naval Renaissance: The U.S. Navy in the 1980s* (Annapolis, MD: Naval Institute Press, 1990), 214-215.

necessities for NATO allies.⁶¹¹ According to contemporary maritime scholar Clinton Whitehurst, the Atlantic war plan for the U.S. and NATO “depends on allied capacity to support such a battle [in the Atlantic]. Without adequate pools of merchant shipping and protective maritime forces, the sea lines of communication cannot be relied upon.”⁶¹²

“Adequate shipping” to support “such a battle” was not readily available by 1983 and 1984. The broader NATO pool of merchant ships numbered nearly 5,900, more than enough to maintain the sea lines of communication. A large percentage of this pool, some 2,100 ships, however, sailed only in the Mediterranean under a Greek flag. Their crews had not been cleared by NATO allies. Moreover, these ships were obsolete and profoundly slow in comparison to the Soviet attack submarines that they would have to avoid in the North Atlantic.⁶¹³ The uncertainty of whether allied vessels were available led Mercogliano to ask, “Would they [allied shipping] willingly participate or would they have to be coerced?”⁶¹⁴ Shipping problems highlighted the uncertainty of whether the United States could support a large scale maritime support of NATO in wartime.

A test case of sorts for distant sealift support and modern naval warfare occurred in the 1980s during the conflict between the United Kingdom and Argentina. The Argentine invasion of the Falklands Islands in 1982 resulted in a British response, which

⁶¹¹ Clinton Whitehurst, *The U.S. Merchant Marine: In Search of an Enduring Maritime Policy* (Annapolis, MD: Naval Institute Press, 1983), 128.

⁶¹² Ibid, 128.

⁶¹³ Ibid, 128. Most of these ships were older steamers or incapable of carrying the military supplies of the 1980s.

⁶¹⁴ Mercogliano, “Sealift”, 320. In actuality, the bulk of these numbers represented the slow, outdated, or woefully inadequate cargo ships mothballed in reserve fleets. Of the U.S. flagged cargo ships available by 1990, only 303 had been built since 1970. Container ships represented the vast majority of these new construction contracts.

combined the resources of the Royal Navy and the British merchant marine.⁶¹⁵ The conflict proved to be the “first truly naval confrontation since the Pacific conflict of World War II.”⁶¹⁶ The Royal Navy’s mission covered nearly 8,000 miles of the Atlantic from the U.K. to retake the islands. Unlike the experience of the United States landing of materials and troops with little opposition in Vietnam, the Argentinian Navy challenged the British sealift and naval forces in the operation.⁶¹⁷ British losses from enemy submarines and aircraft included two destroyers, two frigates, and three merchant ships. Numerous other British ships sustained damage severe enough to take them out of action.⁶¹⁸ Ultimately, the British mission to retake the archipelago succeeded.

The cautionary example of the British fleet’s losses to a technologically and financially inferior Argentinian enemy provoked a research question for the U.S. Navy. According to a Navy Department report on the conflict, the lessons gleaned from the Falklands needed to be considered “in the light of Soviet-US capabilities.”⁶¹⁹ In light of the mobilization of the Royal Navy and coordination with the British merchant marine, the U.S. Navy report stated, “While the task of mobilizing sufficient strategic sealift for adequate conventional deterrence is difficult enough, it would be impossible to sustain a conflict given the level of attrition suffered from submarine warfare in World War II.”⁶²⁰

⁶¹⁵ Department of the Navy, *Lessons of the Falklands, Summary Report*, (Washington, DC: Office of Program Appraisal, U.S. Navy, 1983), 1-4.

⁶¹⁶ Ibid, 3

⁶¹⁷ Ibid, 1-7.

⁶¹⁸ Ibid, 3-4.

⁶¹⁹ Ibid, 4.

⁶²⁰ Ibid, 8, 40.

The Navy's report concluded that "commercial shipping in support" was unsuited for ongoing military operations such as a support mission for western Europe. Furthermore, the Navy's report suggested "planning with the Maritime Administration to ensure the ships in the National Defense Reserve Fleet were available for activation."⁶²¹ Due to the high losses of Royal Navy vessels in the Falklands, the U.S. Navy argued for a larger fleet of military-armed and operated cargo ships, a much higher reliance on government, not private solutions to logistics, and prepositioning of weapons in crisis zones.⁶²² In spite of the study's suggestions, the DoD rejected proposals for expanding cargo ship construction. DoD planners feared cargo ship construction would detract from the "600 ship Navy" plan for new offensive weapons. Ironically, the lack of cargo ships actually accelerated reliance on private shipping. Only prepositioning, first developed in the bi-annual *Reforger* exercises, actually came to fruition.⁶²³

One effort to update the anemic military-owned cargo fleet embraced containerization, privatization, and the regulatory reform currents within the Reagan administration. The *SL-7* containership ships built in the Netherlands and West Germany for Malcom McLean's Sea-Land found little use under corporate ownership. The *SL-7*'s foreign construction made them ineligible for Jones Act trade. In addition, the ships were

⁶²¹ Ibid, 40.

⁶²² Ibid, 43.

⁶²³ Mercogliano, "Sealift", 342. The *Reforger* exercises began in the late 1960s after the Johnson administration withdrew 20,000 combat troops from western Europe. The intention of the exercise was to test the airlift and sealift support for NATO in a potential conventional war against the Soviet Union. Each *Reforger* exercise became smaller and smaller over the course of the 1980s. In spite of flare-ups in US-Soviet tensions such as the Soviet incursion into Poland in 1981 or the Able Archer incident of 1983, exercises for re-deploying troops and equipment to Europe became less important.

incredibly expensive to operate. The *SL-7s* sailed at high speeds but consumed vast amounts of fuel during the oil shocks of the 1970s. Without any use, the ships ended up mothballed and out of operation.⁶²⁴ Rather than building new military cargo ships, the Navy acquired the *SL-7s* to supplement the dwindling numbers of U.S. flagged ships available for sealift. Along with the acquisition of the ships, the Navy purchased nearly 5,000 cargo containers for use with the ships.⁶²⁵ The military's campaign for automation reached new heights with the acquisition of the *SL-7s*. In order to prepare the eight *SL-7s* for military service and to allow them to operate as U.S. flagged ships, conversions for Roll-On/Roll-Off (RO/RO) and container service began at American shipyards.⁶²⁶ The newly converted *SL-7s* became the *Algol* class Fast Sealift Ships on their introduction to military service in 1985. Stationed entirely on the Atlantic and Gulf coasts, the eight ships of the *Algol* class became the nucleus of the DoD's rapid resupply plans for emergencies in Europe or the Middle East. In addition, the DoD contracted shipyards in Louisiana and Virginia for new special built cargo ships, but none with the capacity and underway speed of the *Algols*. Rarely did 1980s military appropriations purchase or build cargo ships. The extraordinary expense and operating costs of the *Algols*, however, proved to be the limit of the DoD's interest in diverting funds away from offensive

⁶²⁴ Levinson, *The Box*, 234.

⁶²⁵ U.S. Navy, "Fast Sealift Ships", *Fact File*. http://www.navy.mil/navydata/fact_display.asp?cid=4700&tid=100&ct=4. Accessed January 28, 2016, U.S. Navy, "Algol-Class", *Naval Vessel Register*, <http://www.nvr.navy.mil/nvrships/details/AKR287.htm> Accessed January 28, 2016. According to one estimate, the *SL-7s* consumed six 55-gallon barrels of fuel per mile.

⁶²⁶ *Ibid.* The conversion allowed *Algol* class to carry dozens of tanks, armored vehicles, and even helicopters. Please see Chapter III of this study for a lengthy description of RO/RO service in Vietnam.

weapons. Even after the Falklands War example, naval planners balked at an investment in military cargo ships.⁶²⁷ Conversion of the containerized *Algols* constituted a stopgap in sealift readiness, but signaled the DoD's transition to automated cargo handling as well. The DoD and the Navy literally bought into the private sector's model for cargo transportation with purchase of the *SL-7s*.

The lack of available shipping and political considerations influenced other DoD maritime procurements by the mid-1980s. The domestic maritime industry continued its drift towards insolvency because of reduced ship orders, declining labor pools, and withering physical infrastructure. Private shipyards in major ports, such as Fore River Shipyard in Boston, Sun Shipbuilding in Philadelphia, and Bethlehem Steel in Baltimore went out of business during the early 1980s. By the mid-1980s, smaller yards without federal contracts failed to compete with larger, consolidated shipbuilding and ship repair yards owned by defense contractors.⁶²⁸ In 1982, 42 shipbuilding and repair facilities existed in the United States. By 1985, 19 of those permanently closed while another 14 survived only on naval construction and repair contracts.⁶²⁹ Military contracts for shipbuilding often became political rewards within congressional caucuses. Legislators with committee chairmanships or seniority steered contracts toward their own districts. Notably, Speaker of the House Thomas P. O'Neill and House Armed Services Chair Mendel Rivers halted the Navy's closure of two naval shipyards in their respective home

⁶²⁷ Ibid, Mercogliano, "Sealift", 342, 379.

⁶²⁸ Markuson, *Rise of the Gunbelt*, 257.; Gibson and Donovan, *The Abandoned Ocean*, 304.

⁶²⁹ United States Senate, "National Shipbuilding Industrial Base Act of 1985: Hearing Before the Subcommittee on Sea Power and Force Protection", 99th Congress, October 24, 1985. (Washington, DC: Government Printing Office, 1985), 58.

districts in Boston and Charleston, SC. Senator John Stennis, senior member of the Senate Armed Services Committee, single-handedly steered dozens of shipbuilding contracts to Ingalls Shipbuilding in his home state of Mississippi. According to economist and geographer Ann Markusen, “congressional delegations enhanced their district’s share of the defense-budget pie.”⁶³⁰ Markusen further argued that boosterism and lobbying by civic officials and by prime contractors combined to “dole out bases and contracts at the taxpayers’ expense for narrow electoral gains.”⁶³¹ Ultimately, important legislators ensured manufacturing plants and large scale employers in their districts maintained a small nucleus of domestic, mostly military, shipbuilding.

Years of steering prime contracts to select shipbuilders and neglect of the merchant fleet by the DoD and the Maritime Administration took their toll on emergency ship building and repair capabilities by 1985. During Senate Armed Service Committee hearings for the National Shipbuilding Base Act of 1985, fears of insufficient emergency ship building and sealift capabilities came to light. Proposed by Senator Stephen Symmes of Idaho, the Shipbuilding Base Act intended to preserve what little remained of the domestic maritime industry after the bankruptcies of the 1980s.⁶³² Budgetary constraints for shipbuilding and repair for vessels other than combatants for the “600

⁶³⁰ Markusen, *Rise of the Gunbelt*, 241. Markusen and her co-author’s examples include dozens of cities and districts with prime roles in defense contracting and with powerful members of congress.

⁶³¹ Ibid, 241.

⁶³² Ibid, 89.; S. 535-A Bill Entitled “National Shipbuilding Industrial Base Act of 1985”, 99th Congress, 1st Session. [https://www.congress.gov/bill/99th-congress/senate-bill/535?q={%22search%22%3A\[%22shipbuilding+industrial+base+act+1985%22\]}&resultIndex=1](https://www.congress.gov/bill/99th-congress/senate-bill/535?q={%22search%22%3A[%22shipbuilding+industrial+base+act+1985%22]}&resultIndex=1) Accessed on February 2, 2016.

ship” navy plan fell by the wayside between 1981 and 1985. During the first term of the Reagan administration, some 150 new naval combat vessels were built or recommissioned from the “mothball fleet.” In the same time period, less than 50 new merchant ships were built in the United States. The majority of new additions to the cargo fleet were built at shipyards overseas.⁶³³ Everett Pyatt, Reagan’s Assistant Secretary of the Navy for Shipbuilding and Logistics, testified that “uncompetitive yards” and “wage differentials” on shore and at sea caused the collapse of domestic maritime trades. Moreover, Pyatt noted that the DoD projected another 25 percent contraction in American maritime trades by 1990.⁶³⁴ The breathtaking rapidity in the decline of the domestic maritime industry heightened the interest at the DoD for finding alternatives to U.S. workers and ships in case of a “global sealift mobilization” or a Third World War. Senator William Cohen of Maine, chair of the Subcommittee on Sea Power and Projection asked several questions of Pyatt regarding cruiser and destroyer construction at Bath Iron Works in Maine. Pyatt acknowledged that Bath would remain the choice for building dozens of new *Arleigh Burke* destroyers in the coming decades.⁶³⁵ Confirming a bright future of steady naval construction and employment along the Kennebec River in Maine, Cohen turned his attention to sealift issues. The senator stated, “There has been an argument going on for quite a few years regarding the availability of a U.S. controlled

⁶³³ Mercogliano, “Sealift”, 339.

⁶³⁴ Senate Armed Services Committee, “National Shipbuilding Industrial Base Act of 1985: Hearing Before the Subcommittee on Seapower and Force Projection,” October 25, 1985, 58.

⁶³⁵ Ibid, 89.; S. 535-A Bill Entitled “National Shipbuilding Industrial Base Act of 1985”, 99th Congress, 1st Session.

fleet. Are those ships part of your contingency plans for wartime sealift?”⁶³⁶ Pyatt answered in the affirmative. Cohen then asked, “Your plans include these ships...built in other countries and registered in Panama, Liberia, or Honduras?” Pyatt noted that the DoD’s plans relied heavily on foreign flagged ships and crews.⁶³⁷ Cohen’s finally asked whether “we have any plan to reduce our reliance on these [foreign flagged] ships in the future?” Pyatt’s answer of “No, I do not know of any” confirmed the DoD’s intended reliance on outsourcing.⁶³⁸ The Shipbuilding Base Act meant to preserve the small remainder of the maritime base in the United States. The Act ultimately failed in committee because of labor costs.

The pace of cost reductions by way of outsourcing and automation for federal and defense cargo needs accelerated in spite of limited measures designed to support the maritime industry in the mid-1980s. While U.S. flagged shipping faltered throughout the decade, Congress attempted to preserve what little of the merchant fleet remained. The Food Security Act of 1985, also known as the Farm Bill, expanded cargo preference for agricultural exports. Public Law 480, a vestige of the Merchant Marine Act of 1936, required at least 50 percent of government shipments to utilize U.S. flagged shipping. The Farm Bill raised the Department of Agriculture’s (DoA) requirement to 75 percent

⁶³⁶ Ibid, 87.

⁶³⁷ Ibid, 89.

⁶³⁸ Ibid, 89, S. 535-A Bill Entitled “National Shipbuilding Industrial Base Act of 1985”, 99th Congress, 1st Session. [https://www.congress.gov/bill/99th-congress/senate-bill/535?q={%22search%22%3A\[%22shipbuilding+industrial+base+act+1985%22\]}&resultIndex=1](https://www.congress.gov/bill/99th-congress/senate-bill/535?q={%22search%22%3A[%22shipbuilding+industrial+base+act+1985%22]}&resultIndex=1) Accessed on February 2, 2016.

for grain shipments at ports in the Great Lakes.⁶³⁹ Ultimately, the legislative support for Great Lakes ports meant little to offset the collapse of U.S. flagged shipping. More grain shipments found their way to the automated port facilities in New Orleans where non-U.S. flagged shipping was in abundance and not subject to the Farm Bill's added cargo preference requirements. The added requirement did benefit local economies, however. The Farm Bill increased numbers of jobs for longshoremen and promoted growth at port cities such as Duluth, MN, and Milwaukee, WI. Unfortunately for the short-lived renaissance in select Great Lakes ports, the lure of lower costs due to automation and no added rules at Gulf Coast ports was far more attractive to the budget minded Department of Agriculture.⁶⁴⁰

In spite of the Farm Bill's requirements, the DoA ignored the new law's requirements as well as general P.L. 480 cargo preference rules. The ILA and the Seafarers Union accused the DoA of circumventing maritime laws, including P.L. 480 and the Farm Bill. Secretary of Agriculture John Block's reasoning for bypassing U.S. flagged shipping was that high costs and union labor "hurt the American farmer."⁶⁴¹ First term Congresswoman Helen Bentley of Maryland attacked Block's explanation as "an excuse." Bentley added that "[Block's] agency repeatedly and flagrantly violated cargo

⁶³⁹ Public Law 99-198. <https://www.gpo.gov/fdsys/pkg/STATUTE-99/pdf/STATUTE-99-Pg1354.pdf>. Accessed on February 12, 2016.

⁶⁴⁰ Charles S. Gitomer and C. Ford Runge, "Cargo Preference Legislation, Agricultural Exports, and the Future of the Duluth-Superior Economy: A Legislative History and Economic Analysis". Records of the Office of Management Services, Division of Management and Organization, 1981-1984; Box 20; Records of the U.S. Maritime Administration, Record Group 357; National Archives, College Park, MD. The authors argued that Congressional delegations from the Upper Midwest instated the Great Lakes export provision into the bill.

⁶⁴¹ "A Friend of Shipping", *Journal of Commerce* (New York), April 23, 1985.

preference laws.”⁶⁴² Bentley, the former maritime editor of the *Baltimore Sun* and former Federal Maritime Commissioner, added that most federal agencies regularly ignored P.L. 480 and other cargo preference ordinances because the laws had “no teeth.” The collapse of regulatory authority in transportation extended even to the federal government enforcing its own behavior. Bentley continued, “even after Maritime [the FMC} finds violations, there is no provision for penalties or any way to make possible the recapture of lost cargoes.”⁶⁴³

Bentley and labor unions also attacked federal agencies such as the Department of State and the DoD for ignoring cargo preference laws. Secretary of Transportation Elizabeth Dole stated that “the White House approved” of federal agencies finding alternatives to U.S. flagged shipping throughout the early 1980s. Members of Congress from maritime districts attacked members from agricultural districts and vice versa over the cargo preference issue.⁶⁴⁴ The Agency for International Development, which shipped much of the State Department’s food relief cargo to the developing world, fell below the 50 percent requirement in 1983, 1984, and the first few months of 1985. The same was true of NASA, the DoA, and the DoD.⁶⁴⁵ Cargo preference laws required federal agencies to search for available U.S. shipping before contracting with foreign flagged shipping. Federal agencies bypassed that clause repeatedly because of no available U.S.

⁶⁴² Ibid.

⁶⁴³ Ibid.

⁶⁴⁴ Robert Morrison, “Plot Thickening in Preference Drama”, *Journal of Commerce* (New York), April 22, 1985.

⁶⁴⁵ Miles Maguire, “Cargo Preference Violations Verified”, *The Baltimore Sun*, April 20, 1985.

shipping after the industry's long decline or the frequent refrain of "U.S. shipping and labor" cost too much.⁶⁴⁶ The DoD's reasoning behind attempted circumvention of cargo preference laws was a bit more complex. In spite of the allocation of hundreds of billions of dollars for new weapons systems during the 1980s, the DoD deemed the comparatively small costs of using U.S. flagged shipping or labor as "exorbitant."⁶⁴⁷ The Maritime Administration's surveillance of DoD contracts showed a "persistent attempt by the DoD" to avoid using the cargo preference. Additionally, Congresswoman Bentley described the DoD's behavior as "a threat to the viability of the cargo preference."⁶⁴⁸

The behavior Bentley warned against included a DoD backed bill to amend the Cargo Preference Law of 1904. Unlike other federal agencies, preference laws required the DoD to attempt "in good faith" to ship 100 percent of their cargo using U.S. flagged shipping. Only the lack of available U.S. flagged ships legally allowed the DoD to contract foreign flagged ships. The DoD sent legislation to Congress in April of 1985 to "authorize the president to enter into agreements with member nations of the North Atlantic Treaty Organization for certain cooperative projects."⁶⁴⁹ According to Bentley, "one section of the proposed bill would exempt all DoD procurements involving these NATO countries from America's cargo preference laws." Bentley and her colleagues on the House Merchant Marine and Fisheries Committee blocked the DoD's proposed

⁶⁴⁶ Ibid.

⁶⁴⁷ "A Friend of Shipping", *Journal of Commerce* (New York), April 23, 1985.

⁶⁴⁸ Robert F. Morrison, "Bentley Rips Preference Evasions", *Journal of Commerce* (New York), April 19, 1985.

⁶⁴⁹ Ibid.

bill.⁶⁵⁰ In August 1985, the DoD attempted a non-legislative circumvention of cargo preference. In a short memorandum from the desk of Ronald Reagan, the President “delegate[d] to the Secretary of Defense all the functions vested in me by the Cargo Preference Act of 1904.”⁶⁵¹ In essence, the DoD now had a free hand in avoiding cargo preference and U.S. flagged shipping. The NATO-shipping plan, which failed in Congress, required funding in the next defense budget, but allies of maritime labor blocked the administration and the DoD’s attempt to find a way around preference. In the final line of the 1987 \$456.5 billion defense appropriation bill, Alaska Senator Ted Stevens inserted a prohibition of “the expenditure of funds to implement” the DoD’s “Cargo Preference.” Finally, the bill required the DoD to “use funds...in accordance with the Cargo Preference Act of 1904.”⁶⁵² Attempts by the DoD to outsource, circumvent, and explore new methods of cost reductions in cargo transport ultimately bore no fruit. The recurring attempts, though, illustrated a persistence within the DoD to avoid relatively small costs related to cargo preference. The Maritime Administration (MARAD) documented reimbursement of other federal agencies for government related shipping aboard U.S. flagged vessels in 1983 and 1984. The sum total transferred from

⁶⁵⁰ “Western Nations Close to Shipping Breakthrough”, *Lloyd’s List* (London, UK), April 9, 1985. The NATO member-states attempted to form a free trade bloc in which shipping with one NATO member flagged shipping was equivalent to another. The article noted “protectionist” interests in the United States threatened to derail the agreement. Ultimately, no agreement took place.

⁶⁵¹ Ronald Reagan, Memorandum, “Delegation of Authority Under the Cargo Preference Act”, *Federal Register* 58, no. 174 (August 7, 1985): 86583.

⁶⁵² S.2827, Department of Defense Appropriation Act, 1987. [https://www.congress.gov/bill/99th-congress/senate-bill/2827?q={%22search%22%3A\[%22%22nato%22+%22preference%22+and%22\]}&resultIndex=2](https://www.congress.gov/bill/99th-congress/senate-bill/2827?q={%22search%22%3A[%22%22nato%22+%22preference%22+and%22]}&resultIndex=2) Accessed on February 14, 2016. Specifically, the DoD tried to use shipping registered in Iceland for transporting cargo to NATO ports in Europe. This appropriation blocked the DoD’s attempt.

MARAD to these other agencies was \$536 million, a small amount when compared to the billions wasted on military procurements the era.⁶⁵³

Calls for reform in defense spending, procurement, and operations came to a head with another heavily publicized study of defense procurement in 1985. Chaired by former NATO commander Andrew Goodpaster and former Secretary of Defense Melvin Laird, the Center for Strategic and International Studies (CSIS) “Defense Organization Project” sought to address repeated criticisms of military spending and planning.⁶⁵⁴ According to Goodpaster and Laird, “through the course of this study, we have become convinced of the need, and potential benefits of, defense reform.”⁶⁵⁵ The members of the project’s steering committee included a “who’s who” of members of Congress, political appointees, and retired members of the military. Chairs and ranking members of the House and Senate Armed Services Committees, including Newt Gingrich, Les Aspin, William Cohen, and Sam Nunn, were all members of the steering committee. Executive appointees, academics who studied the military-industrial complex, and other politicians, such as Norman Augustine, Jacques Gansler, and Samuel Huntington, filled out the remainder of the committee. The CSIS’s committee represented the most powerful political and intellectual forces in Washington.⁶⁵⁶

⁶⁵³ Ibid.; Robert Morrison, “Plot Thickening in Preference Drama”, *Journal of Commerce* (New York), April 22, 1985.

⁶⁵⁴ Phillip Odeen to Elliot Richardson, December 4, 1984. Elliot Richardson Papers, Milbank, Tweed, Hadley, McCoy Files, Library of Congress, Madison Building, Washington, DC. Odeen coordinated correspondence on behalf of Goodpaster and Laird. Moreover, the letter notes the draft report would be circulated to committee members including Richardson on January 1, 1985.

⁶⁵⁵ Ibid.

⁶⁵⁶ Ibid. Included with Odeen’s letter was a list of participants in the CSIS project. Richardson, as a former Secretary of Defense, was asked to provide a forward and implicit endorsement of the study. He, and six former Secretaries of Defense contributed to the forward.

According to the study, CSIS launched its project to “enhance the organization and management of the defense establishment.”⁶⁵⁷ In an introduction written by Robert McNamara and his five successors as Secretary of Defense, the former administrators warned that “we cannot afford to waste scarce defense resources in the face of continued tests from enemies and requests for assistance from allies.”⁶⁵⁸ The recommendations received the support of former secretaries since they were “united in support for the general thrust of [the study’s] proposals.”⁶⁵⁹ The study’s proposals included the familiar buzzwords of the deregulatory reform movement, including “efficiency” and “streamlining.” Caspar Weinberger’s 1982 argument in favor of bi-annual defense budgets and less congressional oversight resurfaced as the very first proposal made by the CSIS study in 1985.⁶⁶⁰ Other proposals within the study obliquely addressed disastrous cost overruns for inoperable or deficient weapons programs of previous years. A panel on weapons acquisition chaired by management specialist and automation proponent Jacques Gansler argued for “natural market incentives” for cost reductions. Gansler hoped that market forces could “increase...the health of the defense industrial base.”⁶⁶¹

⁶⁵⁷ Center for Strategic and International Studies, “Toward A More Effective Defense: The Final Report of the CSIS Defense Organization Report,” February 25, 1985. Elliot Richardson Papers, Milbank, Tweed, Hadley, McCoy Files, Library of Congress, Madison Building, Washington, DC.

⁶⁵⁸ Ibid, vi.

⁶⁵⁹ Ibid, vi-vii. McNamara was joined by his immediate successor Clark Clifford as well as Melvin Laird, James R. Schlesinger, Elliot Richardson, and Harold Brown. Curiously, Donald Rumsfeld was the lone exception of living former secretaries of defense to endorse the study’s findings.

⁶⁶⁰ Ibid, 2. Under the heading “Resource Allocation and Congressional Oversight”, the executive summary of the panel’s proposals included the bi-annual budget concept.

⁶⁶¹ Ibid, 65. For more on Gansler’s perspective and the influence of his text *The Defense Industry* on CSIS’s study, please see Chapter IV of this dissertation.

Calling attention to out of control prices on defense products, the report called for Congress to adopt “a multi-year budget cycle and disengage itself from detailed line-item reviews”.⁶⁶²

Budget reviews aside, reorganizing the DoD became the study’s most important long-term suggestion. The study’s most well-known recommendation called for a strengthening of the position of Chair of the Joint Chiefs Staff (JCS). Cutting organizational waste and steps in the chain of command and consolidating processes became the recurring argument of CSIS. Duplicated agencies and efforts represented a recurring problem in defense management throughout the 1970s and 1980s. The multiple agencies tasked with logistics alone embodied inefficiencies within the DoD; the failed merger of the MSC and MTMC in 1982 exemplified the problem. The CSIS study made pointed recommendations for merging DoD commands in order to cut wasteful spending and overstaffing.⁶⁶³ The study called for reductions in Office of the Secretary of Defense (OSD) staff and corresponding “cuts in the congressional staff” because these personnel “[have] been a major factor in the growth of micro-management of defense issues by Congress.”⁶⁶⁴ In order to bring about the recommended changes in congressional and OSD oversight, the study called for cutting 15,000 DoD civilian jobs and “even larger numbers of personnel” assigned to support facilities.⁶⁶⁵ Rather than

⁶⁶² Ibid, 65.

⁶⁶³ Ibid, 13.; Shafer, “Backing into the Buzzsaw”, 14. Much of Shafer’s study of the MSC/MTMC failed merger acts as a prelude for the CSIS study and the later formation of U.S. Transportation Command in the late 1980s.

⁶⁶⁴ “Toward a More Effective Defense”, 29-30.

⁶⁶⁵ Ibid, 30.

directly addressing the numerous cost overruns and episodes of waste and abuse of contracts during the early 1980s, the best and brightest in the military-industrial complex called for cuts in staffing and civilian personnel. According Andrew J. Pierre, a senior fellow at the Council of Foreign Relations, consolidating the JCS role and reforms of DoD procedures made the CSIS study the most “moderate and realistic” proposal for DoD reforms in decades. Moreover, Pierre described proposed changes in procurement based on “market incentives, in lieu of regulation” as a “pragmatic, non-polemic” approach to reform.⁶⁶⁶

The CSIS study and an accompanying television special released in mid-1985 accelerated public and political criticism of defense procurement and operations. The study’s description of a “broken” defense establishment and well-known figures in concurrence lent gravitas to the findings. More than 30 newspapers printed reviews of the study, and nearly every article discussing defense reform made reference to CSIS and its high-profile participants. In addition, CSIS coordinated with PBS station WHRO to produce an hour-long, nationally televised special in the summer of 1985. According to study coordinator Philip Odeen, “nearly 20 stations” aired the special in cities such as “New York, Washington, Tampa, and San Francisco.”⁶⁶⁷ The study, media reports, and the television special’s wide distribution allowed Odeen to state that the CSIS made “an important contribution to debate on these issues.” Odeen took pride that study

⁶⁶⁶ Andrew Pierre, “Review”, *Foreign Affairs*, Fall 1985. <https://www.foreignaffairs.com/reviews/capsule-review/1985-09-01/toward-more-effective-defense-final-report-csis-defense>. Accessed March 20, 2016.

⁶⁶⁷ Philip Odeen, “Memorandum, RE: Farewell”, August 1, 1985. Elliot Richardson Papers, Milbank, Tweed, Hadley, McCoy Files, Library of Congress, Madison Building, Washington, DC. The memo to members and signatories of the study acted as a closing of the proceedings and a congratulations for the high regard the study received in government and media circles.

contributor Congressman Les Aspin introduced legislation that “bares a strong resemblance to the recommendations to our study group.” Odeen stated, “legislation is expected to follow completion of this process in the fall.”⁶⁶⁸

Along with legislative initiatives, President Reagan appointed a special commission to study reform with familiar names from CSIS’s committee. In June, 1985, the president formed the Presidential Commission on Defense Management. Tasked with suggesting further reforms at the DoD, the panel drew much of its membership from the CSIS study board. Former Under Secretary of Defense William Perry and Under Secretary of the Navy James Woolsey joined the commission from the CSIS panel.⁶⁶⁹

No figure, however, commanded attention more than the commission’s chairman, former Deputy Secretary of Defense David Packard. Upon his appointment by the president, the *New York Times* described Packard as “a 72 year old industrialist... [who] has 6-foot-four presence and an imposing reputation that tends to lend credibility to an enterprise.”⁶⁷⁰ Packard, who returned to his computer and defense contracting firm after leaving public office, introduced “proper management” to defense contracting during his tenure at the DoD between 1969 and 1971. According to Packard in 1971, “proper management” meant using private sector models to streamline a bloated, inefficient government. Packard’s methodology and preferences while at the DoD included a higher

⁶⁶⁸ Ibid.

⁶⁶⁹ Ibid.

⁶⁷⁰ Bill Keller, “A Familiar Face, a Familiar Problem”, *The New York Times*, June 20, 1985. <http://www.nytimes.com/1985/06/20/us/a-familiar-face-a-familiar-problem.html> Accessed March 22, 2016.

reliance on expensive technologies and automation.⁶⁷¹ In 1985, Packard wanted to know “why the hell they didn’t keep it up.” As chair of the DoD reform commission, Packard promised, “it is one of the things I want to find out.”⁶⁷² In accepting the leadership of the commission, Packard vowed to “build a battering ram” against accepted DoD practices and to “try disestablish some procedures.” <word missing According to Packard, he intended to accept all of the CSIS recommendations in “radically revamping” the organizational culture within the military-industrial complex. Packard explained that “people are really fed up” with the recurring stories of waste and mismanagement at the DoD.⁶⁷³ Packard’s commission offered fundamental changes within the military-industrial complex by the fall of 1985. Packard’s changes would emulate his management solutions offered in the early 1970s and mimic governmental deregulation and privatization from the early 1980s.

Over the course of the first term of the Reagan administration, reform became another term for deregulation and, in some cases, privatization of federal responsibilities. Throughout the early 1980s, regulatory protections gave way to a popular sentiment that deregulation and private sector solutions were a panacea for ills in the federal government. Even in light of large scale corruption and abuse by large scale defense contractors, the allure of the private sector for more solutions in the government and

⁶⁷¹ Transcript, David Packard, November 9, 1987, interviewed by Albert Goldberg and Maurice Matloff, Historical Office, Office of the Secretary of Defense, http://history.defense.gov/Portals/70/Documents/oral_history/OH_Trans_PackardDavid%2011-9-1987.pdf. Definition of proper management, is to train subordinates to cutting expenses and inefficiencies at all costs. According to Packard and to Peter Drucker, absolute ideological and team conformity to the needs of the designated mission are required. For more on Packard, see Chapter IV of this study.

⁶⁷² Keller, “A Familiar Face, A Familiar Problem.”

⁶⁷³ Ibid.

military sectors remained. The rise of large scale, increasingly globalized and automated shipping mirrored the process of government abdicating responsibility for aspects of the economy. Erosions of older practices and protections for labor during PATCO, RICO indictments of labor organizations, and deregulation of the maritime industry resulted in fewer voices and opportunities to stem the flow of jobs from the shoreline and ships involved in military trades. Persistent attempts by the DoD to avoid using U.S. flagged shipping embodied one of these tendencies. Finally, increased attraction to technologies related to automation worsened the depopulation of the national security waterfront during the early 1980s. The process of automation, beginning with the introduction of the cargo container in the late 1950s, culminated in the globalization of the national security waterfront by the late 1980s. The security consequences of depopulation and mass unemployment of maritime labor on the docks, ships, and in the shipyards repeatedly reared its head by the 1990s and beyond.

CHAPTER VI
“THEY DIDN’T HAVE THE NUMBERS”:THE TWILIGHT OF
MARITIME LABOR, 1986-1997.

In 1997, the facilities of Long Beach Naval Shipyard sat dormant following its closure two years earlier. The collapse of the Soviet Union prompted Congress and the defense establishment to begin reductions in military spending. The end of the Cold War resulted in cancellation of weapons contracts, reductions in uniformed personnel, and a partial demilitarization called the “Peace Dividend.”⁶⁷⁴ Support facilities such as Long Beach closed in the early 1990s along with hundreds of sites and defense plants nationwide. Few regions were as reliant on defense dollars as Southern California. Municipal leaders in Greater Los Angeles looked to the naval shipyard site on Terminal Island to stabilize the local economy after the end of big defense budgets. Beginning in March 1997, Los Angeles began to raise capital to convert the abandoned naval shipyard to build “the world’s largest container terminal.”⁶⁷⁵

Rather than merely repurposing an abandoned site, the transfer a former naval base for use as cargo container terminal represented the culmination of automation and

⁶⁷⁴ Leslie Gelb, “Foreign Affairs; What Peace Dividend?”, *The New York Times*, February 21, 1992. According to the article, the Bush administration claimed that the “dividend” would amount to nearly \$66 billion dollars by 1997. Both the Bush administration and Democratic nominee Bill Clinton argued in favor of channeling the savings from defense cuts to domestic priorities such as education and health care.

⁶⁷⁵ “Port of Los Angeles to Build Huge Terminal”, *The New York Times*, November 1, 1997. The 312 acre site represented nearly \$200 million in waterfront real estate in Los Angeles harbor.

globalization along the National Security Waterfront.⁶⁷⁶ The invention of the cargo container in 1958 began a chain of events culminating in the late 1980s and early 1990s. First, new management methods introduced by the McNamara and David Packard tenures at the Department of Defense (DoD) during the 1960s and early 1970s called for greater dependence on technology and automation. Next, greater dependence on automation technologies included the DoD's decision to containerize its cargo shipments and facilities.⁶⁷⁷ Defense spending cuts of the 1970s and increased containerization in the private sector combined with an economic downturn to further the process of automation. The rise of deregulation and automation-related wage cuts as cure-alls became popular in political campaigns and in defense planning during the late 1970s and early 1980s.⁶⁷⁸ The penultimate stage of this process came during the first term of Ronald Reagan's administration. Defense budget increases in the early 1980s during construction of a "600 ship navy" and other military improvements went solely to technological

⁶⁷⁶ The "National Security Waterfront" was an outgrowth of the Cold War era "National Security State." Beginning in 1947, military preparedness influenced the vast majority of national economic and policy decisions. The "National Security Waterfront" describes the maritime logistics aspects of the Cold War military buildup. For more on the labor and shipping concerns of the U.S. military, please see Chapters II-IV of this study. For more on the broad strokes of national policy under the auspices of the National Security State, see Douglas T. Stuart, *Creating the National Security State: A History of the Law that Transformed America*, (Princeton, NJ: Princeton University Press, 2008), 1-8.

⁶⁷⁷ Andrew Gibson and Arthur Donovan, *The Abandoned Ocean: A History of United States Maritime Policy*, (Columbia, SC: University of South Carolina Press, 2000.), 107; Anthony Scotto, "Has the Container Bubble Already Burst?", *ILA Local 1814 Newsletter*, April 8, 1968. Helen Delich Bentley Papers, Langsdale Memorial Library, University of Baltimore, Baltimore, MD.; Transcript, David Packard, November 29, 1988, interviewed by Albert Goldberg and Maurice Matloff, pg. 13, Historical Office, Office of the Secretary of Defense, http://history.defense.gov/Portals/70/Documents/oral_history/OH_Trans_PackardDavid11-28-1988.pdf

⁶⁷⁸ Transcript, David Packard, November 9, 1987, interviewed by Albert Goldberg and Maurice Matloff, pg. 12, Historical Office, Office of the Secretary of Defense, http://history.defense.gov/Portals/70/Documents/oral_history/OH_Trans_PackardDavid%2011-9-1987.pdf.

innovations.⁶⁷⁹ A deregulatory and free enterprise impulse within the Reagan administration characterized the government's response to the steep decline in the domestic maritime industry and labor pool. As a result of the processes beginning in the 1950s, the DoD committed to containerization in order to match trends in the private sector during the 1980s.⁶⁸⁰

The fourth and final stage in the process of globalization on the National Security Waterfront took place in the late 1980s and early 1990s. Decisions and policies aimed at improving logistics through containerization integrated the Defense establishment into the globalized shipping economy. Rapid deindustrialization, or the decimation of jobs and infrastructure in the maritime industry justified the DoD commitment to containerization.⁶⁸¹ The results of deindustrialization, limited U.S. flagged shipping and maritime labor to man the military terminals, hastened the pace of containerization.

Defense reforms stemming from the decline of the Soviet Union, procurement scandals, and organizational confusion complicated the DoD's transition to

⁶⁷⁹ Robert L. Bartley, *Seven Fat Years: And How to Do It Again*, (New York: Free Press, 1995), 122; Gil Troy, *The Reagan Revolution: A Short Introduction* (New York: Oxford University Press, 2009), 104.; Robert O'Connell, *Sacred Vessels: The Cult of the Battleship and the Rise of the U.S. Navy*, 319-320.

⁶⁸⁰ "Logistics Civil Augmentation Program", *Army Regulation 700-137*, (Washington, DC: Department of the Army, 1985), 1-5. <http://www.aschq.army.mil/gc/files/AR700-137.pdf> Accessed on March 1, 2016; Richard T. Lubbin, *Just-In-Time Manufacturing: An Aggressive Manufacturing Strategy*, (New York: McGraw-Hill, 1988), 193.; U.S. Navy, "Fast Sealift Ships", *Fact File*. http://www.navy.mil/navydata/fact_display.asp?cid=4700&tid=100&ct=4. Accessed January 28, 2016, U.S. Navy, "Algol-Class", *Naval Vessel Register*, <http://www.nvr.navy.mil/nvrships/details/AKR287.htm> Accessed January 28, 2016.

⁶⁸¹ Bennett Harrison and Barry Bluestone, *The Deindustrialization of America: Plant Closings, Community Abandonment, and the Dismantling of Basic Industry*, (New York: Basic Books, 1982), 1-6. The author's focus on cities such as Youngstown, Ohio, or Detroit and other "Rust Belt" cities of the economically depressed Midwest and Northeast. Their study illustrated the long term human and industrial damage wrought by economic lethargy during the late 1960s and early 1970s.

containerization. The Reagan administration formed the Packard Commission in 1985 to address procurement scandals, which arose in the President's first term. The commission's recommendations, which included reorganization of the DoD and removing regulatory oversight from defense contractors, became law with the Goldwater-Nichols Act of 1986.⁶⁸² The rapid declension of the Soviet Union and budget cuts similarly determined changes for the DoD's conduct of operations.⁶⁸³

In spite preparing for a major strategic conflict with the Soviet Union since the 1940a, the DoD was unprepared for logistical support operations by the late 1980s because of containerization. Sealift scenarios in DoD exercises, such as the bi-annual *Reforger* deployment of equipment and troops, failed to prepare U.S. logistics networks for a realistic emergency. Small scale shipping operations scheduled months ahead of time lacked the spontaneity of a potential Soviet invasion of western Europe.⁶⁸⁴ The decline of shipping and maritime laborers throughout the 1970s and 1980s reared its head after the Iraqi invasion of Kuwait in August 1990. The DoD responded by staging an emergency sealift to defend Saudi Arabia and other Persian Gulf allies of the U.S. with

⁶⁸² Dina Rasor and Donna Martin, "Campaign '84", *Project on Military Procurement*, August 1984. <http://www.pogo.org/our-work/reports/90s/defense-procurement-information-papers.html> Accessed on January 9, 2016.; Bill Keller, "A Familiar Face, a Familiar Problem", *The New York Times*, June 20, 1985. <http://www.nytimes.com/1985/06/20/us/a-familiar-face-a-familiar-problem.html> Accessed March 22, 2016.; Transcript, David Packard, November 9, 1987, interviewed by Albert Goldberg and Maurice Matloff, pg. 12, Historical Office, Office of the Secretary of Defense, http://history.defense.gov/Portals/70/Documents/oral_history/OH_Trans_PackardDavid%2011-9-1987.pdf.

⁶⁸³ Les Aspin, "An Approach to Sizing American Conventional Forces for the Post-Soviet Era: Four Illustrative Options", February 25, 1992, 19. Helen Delich Bentley Papers, Langsdale Memorial Library, University of Baltimore, Baltimore, MD.

⁶⁸⁴ Simon Duke, *United States Military Forces and Installations in Europe*, (New York: Oxford University Press, 1989), 24.

Operation Desert Shield. According to a senior longshoreman, however, the DoD's reliance on containerization meant that "they didn't have the numbers" of workers to load the ships departing from the United States for the Persian Gulf. Of the required 2,500 longshoremen needed to load ships at military ocean terminals in North Carolina and Texas, only 500 were available on site. In order to complete the herculean task of loading dozens of ships in time, thousands more raced to the piers filled with idle military cargoes.⁶⁸⁵ In spite of a colossal effort by often maligned longshoremen and merchant mariners, the DoD accelerated its commitment to automation and outsourcing after the Gulf War. The post-Cold War DoD shrank while folding its logistics operations into an increasingly globalized and automated shipping network. Policy decisions by the Clinton administration in 1993 attempted in vain to reverse the decline of maritime labor and the DoD's sealift abilities. Economic legislation connected to new global regimes in the mid-1990s mitigated the benefit of preservative efforts.⁶⁸⁶

Globalization by way of containerization forever altered maritime logistics. Policy decisions following containerization the late 1980s and early 1990s marked the beginning of the end of maritime labor. This chapter aims to illustrate the legislative, operational, and policy history of a period, which set the United States and the DoD on a course for automation and deindustrialization. By pulling these separate thematic threads together,

⁶⁸⁵ Benjamin Holland (President, International Longshoreman's Association, Beaumont, TX), Telephone Interview with the author, telephone interview, September 2, 2014.

⁶⁸⁶ Lawrence Schwartz, Alfred H. Beyer, Frederick M. McNamee, Click D. Smith, *Review of DoD's Strategic Mobility Programs: Commercial Sealift Support*, (Washington, DC: Logistics Management Institute, 1992.); David E. Sanger, "The Lame-Duck Congress: The Vote; House approves Trade Agreement By A Wide Margin", *The New York Times*, November 30, 1994.

this chapter explains the contributing factors that permanently codified a containerized economy and logistics system after the end of the Cold War.

Priorities in defense policy and spending of the late 1980s changed as a result of warming relations between the United States and the Soviet Union. Just as the United States experienced in the 1970s, the Soviet Union underwent a severe economic downturn in the mid-1980s. Prior to the final downturn of the linked economies of Eastern Europe, oil sales on the global market mitigated structural problems in the Soviet economy. Oil provided a modicum of stability and source of economic growth for the Soviet Union. Central economic planning tied to high oil prices of the 1970s and early 1980s, however, proved unsustainable.⁶⁸⁷ The Soviet Union was incapable of keeping pace with American military spending while maintaining other state obligations. As a result, internal pressure forced the Soviet government to change its economic priorities.⁶⁸⁸ The ascent of leader Mikhail Gorbachev in 1985 began changes within the Soviet Union. Market and governing reforms under the slogans of *perestroika* and *glasnost* attempted to reform the Soviet economy.⁶⁸⁹ Moreover, Gorbachev initiated a series of arms reduction summits with President Ronald Reagan. Without signaling

⁶⁸⁷ Charles Maier, *Dissolution: The Crisis of Communism and the End of East Germany*, (Princeton, NJ: Princeton University Press, 1997), 61. COMECON, the western name for the linked economies of the Soviet bloc, attempted to develop a consumer goods export economy like the United States. The only Soviet product purchased in any volume on the global market was oil.

⁶⁸⁸ Maier, *Dissolution*, 105. Stephen Kotkin argues that Soviet military spending accounted for as much as 30 percent of the U.S.S.R.'s GDP by 1985 and that the occupation of Afghanistan continued to be a financial millstone around the Soviet Union's neck. For more on internal problems as the catalyst for the end of the U.S.S.R., see Stephen Kotkin, *Armageddon Averted: Soviet Collapse, 1970-2000*, (New York: Oxford University Press, 2008), 60-61.

⁶⁸⁹ Kotkin, *Armageddon Averted*, 61-62. *Perestroika* aimed to bring market reforms to the Soviet state-directed economy. *Glasnost* referred to Gorbachev's pledge for greater freedom and openness in Soviet society.

weakness on either side, Gorbachev and Reagan negotiated large scale cuts in strategic nuclear arsenals and each country's respective military budgets.⁶⁹⁰

Changes in the global security situation and reports of contracting abuses inspired DoD reforms culminating in the Packard Commission in 1986. Studies, such as the Project on Military Procurement (PMP), illustrated deepening problems in weapons spending and management issues within the DoD. Notorious episodes of waste, graft, and corruption featured in the PMP's study ignited a political and media firestorm. With looming defense cuts following talks between the U.S. and the U.S.S.R., the need for budgetary reforms had greater urgency by 1985 and 1986.⁶⁹¹ In order to extinguish outrage and address areas for improvement, current politicians and former members of the defense establishment offered suggestions for solving the DoD's budgetary and organizational problems. The Center for Strategic and International Studies (CSIS) study of the DoD, "Toward a More Effective Defense," included proposals for "future security obligations," budget management, and procurement reform.⁶⁹² The recommendations from the study evolved into the formation of a presidential "blue ribbon" panel chaired by former Deputy Secretary of Defense David Packard. The Packard Commission comprised the best and brightest in the defense establishment. The goal of the

⁶⁹⁰ Ibid, 61-62. Kotkin argues that Gorbachev's most ardent opponent in arms cuts was not the hardline bloc within the Soviet military, but Reagan.

⁶⁹¹ Dina Rasor and Donna Martin, "Campaign '84", *Project on Military Procurement*, August 1984. <http://www.pogo.org/our-work/reports/90s/defense-procurement-information-papers.html> Accessed on January 9, 2016. For more on episodes including \$9,000 staplers and multi-billion dollar defense systems that did not work or were deeply flawed, see Chapter V of this dissertation.

⁶⁹² Center for Strategic and International Studies, "Toward A More Effective Defense: The Final Report of the CSIS Defense Organization Report", February 25, 1985. Elliot Richardson Papers, Milbank, Tweed, Hadley, McCoy Files, Library of Congress, Madison Building, Washington, DC.

commission was to re-introduce “proper management” techniques first offered by Packard during his term at the DoD in the 1970s.⁶⁹³ Packard wondered aloud in media reports “why the hell they [the DoD] didn’t keep” using his methods after a mere fifteen years. In short, Packard intended to restore his methodology in his reform of the military-industrial complex.⁶⁹⁴

The Packard Commission’s study of the military establishment offered numerous recommendations after identifying serious problems in procurement as well as organization at the DoD. Throughout the first half of 1986, members of the commission compiled problems and offered interim or draft recommendations on solutions in numerous well-publicized reports. Numerous “old hands,” including Secretary of Defense Frank Carlucci, former National Security Advisor Brent Scowcroft, and Nixon administration economist Herbert Stein, among others, contributed to the commission’s reports.⁶⁹⁵ Interim reports by the Packard Commission identified broad contracting abuses identical to the Project for Military Procurement Study in 1984.⁶⁹⁶ The

⁶⁹³ Transcript, David Packard, November 9, 1987, interviewed by Albert Goldberg and Maurice Matloff, pg. 12, Historical Office, Office of the Secretary of Defense, http://history.defense.gov/Portals/70/Documents/oral_history/OH_Trans_PackardDavid%2011-9-1987.pdf. A definition of proper management is cutting expenses and inefficiencies at all costs. According to Packard and to Peter Drucker, absolute ideological and team conformity to the needs of the designated mission are required. For more on Packard, see Chapter IV and Chapter V of this study.

⁶⁹⁴ Bill Keller, “A Familiar Face, a Familiar Problem”, *The New York Times*, June 20, 1985. <http://www.nytimes.com/1985/06/20/us/a-familiar-face-a-familiar-problem.html> Accessed March 22, 2016.

⁶⁹⁵ Philip Odeen, “Memorandum, RE: Farewell”, August 1, 1985. Elliot Richardson Papers, Milbank, Tweed, Hadley, McCoy Files, Library of Congress, Madison Building, Washington, DC. The Packard Commission’s membership was a “who’s who” of Washington and defense establishment insiders. Future CIA director James Woolsey and future Secretary of Defense William Perry both joined the commission from the CSIS board.

⁶⁹⁶ For more on contractor abuses identified by the Project for Military Procurement, see Chapter V of this dissertation.

commission recommended by-passing the lengthy, expensive, and abused prone method the DoD used to develop new systems, parts, or goods. Rather, the early recommendations of the commission argued for greater reliance “off the shelf” products, or buying new parts and products directly from manufacturers. Instead of reforming the DoD’s procurement methodology, Packard his commission argued for purchasing ready-made solutions from the private sector.⁶⁹⁷

In their evaluation of how best to reform the DoD, the commission’s final report followed the deregulatory impulse, which characterized much of the Reagan administration’s governing agenda. According to Packard’s introduction, the the President charged the commission “unleash the drive and entrepreneurial genius that are the core of human progress.”⁶⁹⁸ Among the key takeaway points from Packard’s introduction, he and the commission argued for establishing “Centers for Excellence” to propel “revolutionary progress throughout defense management.”⁶⁹⁹ “Centers for excellence,” according to Packard, were DoD agencies that ran most like a private corporation. The “revolutionary progress” would come about at the Centers where base or project commanders were given a free hand in cutting through red tape or bureaucratic obstacles such as regulations and labor costs. “Wasteful regulations” were the most

⁶⁹⁷ J. Ronald Fox, *Defense Acquisition Reform, 1960-2009: An Elusive Goal*, (Washington, DC: Office of the Secretary of Defense, Historical Office, 2009), 142. According to Fox, the Packard Commission’s recommendation of “off the shelf” goods and parts included commercial products ordinarily developed by the DoD in the past. Presumably, this included the stapler and chair part examples of bad DoD procurement stories from the PMP study. The DoD spent nearly \$600 for a common office stapler and nearly \$9000 for a 40 cent plastic cap for an office chair. For a complete discussion of the PMP study, see Chapter V of this dissertation.

⁶⁹⁸ David Packard, “Forward”, in *A Quest For Excellence: Final Report to the President*, June 1986, xii.

⁶⁹⁹ Ibid, xii-xiii.

pernicious obstacles enumerated by Packard in his litany of problems in day to day DoD operations. He continued, “The [centers for excellence] program has shown the increased defense capability that comes by freeing talented people from over-regulation...”⁷⁰⁰ Finally, Packard noted, “DoD must displace systems and structures that measure quality by regulatory compliance and solve problems by executive fiat.” Packard’s prescription simply followed his faith in private sector solutions for government problems. “Defense contractors and DoD must each assume responsibility for improved self-governance to assure the integrity of the contracting process.”⁷⁰¹ As it was in the late-1970s and throughout the 1980s, deregulation and allowing for corporate “self-governance” became a cure-all for the ills in terms of government reform and spending. The Packard Commission’s mission, to cure organizational problems and contractor abuses at the DoD, turned into an instruction manual for privatizing aspects of DoD functions.

The commission’s final suggestions included budgeting and procurement reform. The commission acknowledged the “increasingly troubled relationship between the defense industry and the government” and the “depth of public mistrust of defense contracting is deeply disquieting.”⁷⁰² Affirming doubts of the general public, the commission also reiterated its support for “industry self-regulation” rather than criminal prosecution as a means of deterring bad procurement behavior. The commission reasoned that prosecutions in other industries failed. “Nor have criminal sanctions

⁷⁰⁰ Ibid, xii.

⁷⁰¹ Ibid, xiii.

⁷⁰² Ibid, 1, 75-76.

historically proved to be a reliable tool for ensuring contractor compliance,” stated the commission.⁷⁰³ No small part of the dislike of criminal proceedings as a tool of maintaining good contracting behavior came from concerns regarding the damage prosecutions could inflict on the defense industry. According to business ethics attorney Andrea Bonime-Blanc, the commission “worried that misplaced and, in their opinion, overblown public concerns about wide-spread abuse and fraud would also harm the U.S. industrial base.”⁷⁰⁴ As PMP illustrated in their studies of the defense industry, “wide-spread abuse and fraud” was endemic in the defense procurement process rather than “overblown.”

In its summation of how best to avoid extraordinary waste in procurement, the commission argued for the defense industry to take the lead in rebuilding legitimacy. The final report of the Packard Commission, released in June 1986, proposed a list of “Defense Industry Principles” for contractors to follow in the future. Among the list of “principles” and internal reforms, the commission called for contractors to adhere to a “written code of ethics.” The “code of ethics” enforced conduct which “preserve[d] the integrity of the defense industry” and to ensure the industry “self-governed by monitoring compliance with federal procurement laws.”⁷⁰⁵ Previously, the Packard Commission

⁷⁰³ Ibid, 77. In the meantime, criminal prosecutions of labor unions and leaders reached an unprecedented high during the late 1980s. For more, see James Jacobs, *Mobsters, Unions, and Feds: The Mafia and the American Labor Movement*, (New York: New York University Press, 2006), 90.

⁷⁰⁴ Andrea Bonime-Blanc, “The Defense Industry Initiative: From Business Conduct Program to Industry Standard,” in *Globalization and Self-Regulation: The Crucial Role That Corporate Codes of Conduct Play in Global Business*, S. Prakesh Sethi, ed., (New York: Palgrave Macmillan, 2011), 130. Bonime-Blanc further argued that criminal prosecution could break up large contractors to the detriment of the national defense capacity and the defense industrial base.

⁷⁰⁵ David Packard, “Appendix M”, in *A Quest For Excellence: Final Report to the President*, June 1986, 257-259.

claimed public fears of fraud or graft in the defense industry were “over-blown.” In spite of this assertion, the commission included these edicts as a proposal to root out fraud and corruption in contracting.⁷⁰⁶ Corporate ethicist Bonime-Blanc noted that precepts for internal reform and deregulation failed to maintain legitimacy because they were born out of the defense industry. There was no “third party” or outside observation of defense industry practices with the exception of the tax payer and the media. Moreover, Bonime-Blanc explained that corporate ethicists within defense corporations had little access for resources to enforce the prescribed “principles.”⁷⁰⁷

Organizational reform recommendations from the Packard Commission inspired executive orders that altered the structure of the military establishment. Reorganization of the Joint Chiefs of Staff (JCS) and their roles within the military command structure at the DoD was part of an ongoing process prior to the commission’s assembly. In April of 1986, the Reagan administration issued National Security Decision Directive (NSDD) 219. NSDD 219, titled “Implementation of the Recommendations of the Blue Ribbon Commission on Defense Management,” became an instrument of change within the DoD. The President argued for “quickly and decisively” imposing suggested changes to strategic planning, budgeting, and numerous other functions within the DoD.⁷⁰⁸ For the

⁷⁰⁶ Bonime-Blanc, “The Defense Industry Initiative”, 135. According to Bonime-Blanc, the Defense Industry Initiative became a “Kimberly process” for maintaining corporate responsibility. Diamond mining firm Debeers pioneered the Kimberly process to verified the weight and value of precious stones.

⁷⁰⁷ Ibid, 155. Bonime-Blanc’s complains of insufficient resources or tools for ethicists or compliance officers came in 2011, or 25 years after the publication of the Packard Commission’s report.

⁷⁰⁸ John Poindexter, “National Security Decision Directive (NSDD) 219, Implementation of the Recommendations of the President’s Commission on Defense Management”, April 1, 1986, 1-4. <http://fas.org/irp/offdocs/nsdd/nsdd-219.htm> Accessed April 30, 2016.

sake of simplifying the procurement and operations issues, the Packard Commission suggested placing the acquisition functions, research and development, and operations of the individual military branches into one condensed agency.

The Reagan NSDD mirrored the commission's suggestions, but legislative alterations in the DoD's organizational structure came after passage of the Goldwater-Nichols Act of 1986. The Act codified the Packard Commission's proposed alterations for procurement methods and management at the DoD. Goldwater-Nichols also merged similar functions duplicated among the various military branches and commands. Packard suggested that the "Secretary of Defense should establish a single unified command to integrate global air, land, and sea transportation."⁷⁰⁹ Following the passage of the Goldwater-Nichols Act, the DoD condensed commands related to all aspects of military operations, including by geographic region and specialized tasks.⁷¹⁰ Commands reorganized included regional specializations including U.S. Central Command (CENTCOM) for matters in the Middle East and European Command (EUCOM) for NATO concerns. In addition, unique tasks, such as special operations (SOCOM) and strategic matters (USSTRATCOM), combined related DoD agencies under unified commands.⁷¹¹

Following Goldwater-Nichols, the DoD merged logistics agencies into the Transportation Command (USTRANSCOM), with varying degrees of success. The

⁷⁰⁹ Packard, "A Quest for Excellence," 122.

⁷¹⁰ James D. Locher, *Victory on the Potomac: The Goldwater-Nichols Act Unifies the Pentagon*, (College Station, TX: Texas A&M University Press, 2002), 442-443. Locher was a staffer on the Senate Armed Services Committee during the mid-1980s.

⁷¹¹ Ibid, 444.

formation of TRANSCOM in 1987 placed the Army's Military Traffic Management Command (MTMC), the Navy's Military Sealift Command (MSC), and the Air Force's Military Airlift Command (MAC) under one commander and one agency's umbrella. Initially, the Navy bristled at placing the MSC under joint command. Alfred Hansen, the first commander of TRANSCOM, argued that the Navy's objections came from a fear that other branches or TRANSCOM "would usurp the authority of their fleet commanders" in wartime conditions.⁷¹² Moreover, the Navy Department objected to losing control of its assets, including a \$7 billion investment in sealift technology during the 1970s and 1980s. The bulk of these investments came in the form of purchasing *SL-7* cargo container ships from the SeaLand Corporation.⁷¹³ Ideally, the formation of TRANSCOM would sweep away organizational infighting and allow the DoD to prepare for logistical uncertainties. The reality, however, proved to be the opposite. The Navy's reluctance to cooperate with other subsidiary commands within TRANSCOM meant command structure chaos in the first years after Goldwater-Nichols. Organizational assets under total control of the Navy and the MSC, including prepositioning and sealift ships, remained out of the purview of the newly formed TRANSCOM.⁷¹⁴ Command

⁷¹² James K. Matthews and Cora Holt, *So Many, So Much, So Far, So Fast: United States Transportation Command and Strategic Deployment for Operation Desert Shield/Desert Storm*, (Washington, DC: Joint History Office, Office of the Chairman of the Joint Chiefs and Research Center, United States Transportation Command, 1992), 1-11.

⁷¹³The *SL-7*s, which under Navy ownership became known as the *Algol*-class Fast Sealift Ships, were built in Germany and the Netherlands and purchased from SeaLand's parent company RJ Reynolds. For more on the purchase and special Jones Act dispensations provided by Congress for the *Algol* class cargo ships, please see Chapter IV of this dissertation.

⁷¹⁴ Salvatore Mercogliano, "Sealift: A History of American Military Sea Transportation", (Ph.D. Dissertation, University of Alabama, 2004), 384.

structure change mandated by Goldwater-Nichols fell by the wayside as uncooperative branches complicated organizational change.

While the DoD reorganized under the mandate of government attention, the maritime industry woes reached a critical tipping point with only indifference as a response. According to projections by the Department of Commerce and the AFL-CIO, the rise of automation and a lack of younger mariners entering a dying field led to a shortfall of nearly 8,000 seamen. Talmadge Simpkins, the director of the AFL-CIO's maritime committee stated that rather than addressing the compounding crisis along the waterfronts of American cities, the federal government had a low level of interest in maritime affairs. Business leaders described the Reagan administration's lack of concern regarding "merchant marine and shipbuilding problems" as a "bore in the White House."⁷¹⁵ According to maritime writer Thomas Schaff, "our sealift deficiencies and the mounting price tag of naval construction...is steadily undermining the defense buildup of the Reagan presidency."⁷¹⁶ Furthermore, Schaff identified the public discussion and frequent media reports of maritime decline as an obviously exploitable weak link in the U.S.'s defensive posture. Citing the Falklands War as well as President Reagan's own statements about the importance of merchant shipping and maritime civilian workers, Schaff argued that "our ability to re-supply U.S. forces overseas is rapidly going from marginal to insufficient."⁷¹⁷

⁷¹⁵ Thomas A. Schaff, "Six Years of Maritime Decline", *Journal of Commerce*, (New York), April 8, 1987. Schaff was the 1980 Reagan/Bush campaign's maritime coordinator.

⁷¹⁶ Ibid.

⁷¹⁷ Ibid.

While the maritime industry feared an “insufficient” sealift capability, U.S. flagged shipping’s anemic abilities found its way into popular fiction’s depiction of a third world war. Dozens of novels in the 1980s, occasionally bordering on Science Fiction, discussed cataclysmic scenarios of war between the United States and the Soviet Union. Most contemporary military fiction or “techno thrillers” featured massive nuclear exchanges between the two sides and resulted in post-apocalyptic tropes of a fractured, depopulated world. Other stories featured weapons systems run amok and technological advances dehumanizing combatants or the general population.⁷¹⁸

During the defense buildup of the 1980s, nuclear war fiction in print and in film returned from a long hiatus during the 1960s and 1970s. Films, such as Nicholas Meyer’s *The Day After*, Mick Jackson’s *Threads*, and John Milius’ *Red Dawn*, illustrated a potential aftermath of a nuclear war in civilian society.⁷¹⁹ Tensions between the Soviets and the U.S. during the 1980s stoked fictional scenarios of World War III featuring both nuclear and conventional weapons. Among the most popular examples of a fictional conventional war scenario was author Tom Clancy’s *Red Storm Rising*. Clancy’s “techno thrillers” found popular support in military and political circles. Clancy’s first

⁷¹⁸ John Douglas Forrest, Karrie Elise Barfield, and Mary Kathryn Barbier, “Military Science Fiction”, *Oxford Bibliographies Online*, ed. Dennis Showalter, 26 August 2013. <http://www.oxfordbibliographies.com/view/document/obo-9780199791279/obo-9780199791279-0091.xml> Accessed March 31, 2016.; Daniel Dinello, *Technophobia!: Science Fiction Visions and Post Human Technology*, (Austin, TX: University of Texas Press, 2005), 1-12. Among Dinello’s examples of cautionary tropes represented by 1980s science fiction writers included automated weapons systems and robots conducting human tasks.

⁷¹⁹ Ibid.; Ronnie Lipschutz, *Cold War Fantasies: Film, Fiction, and Foreign Policy*. (New York: Rowman and Littlefield, 2012.), 12-15. Lipschutz indicates that these three films reflected Cold War fears and were the most realistic depictions of a third world war. *Red Dawn* features a nuclear exchange targeting major cities and a guerrilla insurgency of American high school students against a Soviet occupying force in rural Colorado.

text, *The Hunt for Red October*, became a bestseller when President Reagan lauded Clancy and claimed that he “could not put the book down.”⁷²⁰

Clancy’s follow up text was *Red Storm Rising*, published in 1986. In the book, a Soviet invasion of western Europe remained a conventional war and NATO forces required sealift support from the east coast of the United States. The fictional Soviet invasion of West Germany included a destruction of prepositioned American equipment and supplies for NATO forces required to repel such an incursion. The book’s description of how the United States would respond indicated the widespread knowledge of the deterioration of the shipping fleet. In Clancy’s scenario naval vessels waited in Delaware Bay while cargo ships awaited loading in Philadelphia, Camden, New Jersey, and Wilmington, Delaware, joined a convoy bound for European ports. Naval officers aboard escort frigates and cruisers feared the limited number of ships available for the fictional resupply of ammunition and other war materials to fight the Soviets.⁷²¹ The convoy’s commander lamented the decline of U.S. flagged shipping and the extraordinarily low number of available ships in comparison to World War II-era convoys. The captain mused, “Now a submarine could sink one ship and get the benefit it would have achieved in World War II of sinking four or five.”⁷²²

⁷²⁰ “Tom Clancy dies in Baltimore at 66,” *The Washington Post*, October, 2 2013. https://www.washingtonpost.com/entertainment/books/tom-clancy-best-selling-author-dead-at-66/2013/10/02/40764160-2b6f-11e3-8ade-af23cda135e_story.html. According to the article, Secretary of the Navy John Lehman interrogated Clancy at a White House meeting after the publication of *The Hunt for Red October*. Lehman was convinced Clancy received classified information in order to craft his story. Clancy denied contact with intelligence and defense officers.

⁷²¹ Tom Clancy, *Red Storm Rising*, (New York: G.P. Putnam, 1986), 162-164.

⁷²² Ibid, 163.; Office of the Director of Central Intelligence, “Soviet Intentions and Capabilities for Interdicting Sea Lines of Communication in a War with NATO”, Central Intelligence Agency, September 1, 1981. https://www.cia.gov/library/readingroom/docs/DOC_0000261312.pdf Accessed on January 3, 2015. The CIA memorandum conceived of the most likely Soviet methods of stopping a sealift fleet from

According to Clancy, by way of his fictional characters, the culprit in the failure of America's cargo fleet was expensive labor. In his description of the cargo fleet, Clancy stated that "the senior seamen who made as much as" the naval officers who protected the fleet were unprepared for the "wolves hiding under the gray surface of the Atlantic." Clancy further described merchant mariners as a liability in wartime conditions. The naval officer questioned whether the mariners' "comfortable, union-negotiated salaries would be valuable in the face of missiles and torpedoes."⁷²³ In concluding his section on convoy preparations, Clancy, by way of his naval commander character, offered two observations. First, he described the collapse of American flagged shipping and the small National Defense Reserve fleet as an "outrage." Clancy's portrait of the maritime industry's decline included the severe description "to call the situation a disgrace was to describe gang rape as a mild social deviation."⁷²⁴ Furthermore, Clancy's naval officer observed supplemental vessels entering Delaware Bay to relieve the insufficient numbers of U.S. flagged ships. A "Dutch container ship" arrived to add to the convoy's numbers, leading the commander to say "We'll need all the help we can

arriving at ports in Belgium and the Netherlands in a major conventional European war. The estimate argued the Soviets would probably attack the sealift as they approached the Bay of Biscay off the French coast. Clancy's scenario of an attack on the convoy bears a striking resemblance to this document. An alternate CIA scenario included a non-nuclear attack on American port cities such as Norfolk, Virginia, Wilmington, Delaware, Wilmington, North Carolina, and Jacksonville, Florida. The attack might include the use of chemical weapons, such as nerve gas, on the port areas. As this would not count as a nuclear escalation, the unnamed analyst at the CIA mentioned that the gassing of these cities was a highly likely scenario. Clancy's war scenario stops short of that sort of escalation. In the book, the Soviet Army overthrew the Politburo once serious discussions of nuclear escalations occur after the sealift supplies relieve NATO.

⁷²³ Ibid, 163.

⁷²⁴ Ibid, 164.

get.”⁷²⁵ Clancy’s description of the conventional sealift decried the failure of the United States to prepare for this scenario and placed the blame squarely on the high salaries of union mariners and a failure of national policy. In addition, a foreign flagged container ship sailed into an American port to save the day.⁷²⁶

Clancy’s texts, especially *Red Storm Rising*, earned high profile supporters and influenced global security in the late 1980s. Shortly after a failed summit between Ronald Reagan and Soviet General Secretary Mikhail Gorbachev, the president conferred with British Prime Minister Margaret Thatcher on matters of Soviet-NATO relations. Reagan suggested *Red Storm Rising* to Thatcher as a primer on how to read the Soviets and how to prepare for conventional warfare in Europe. Charles Powell, Thatcher’s private secretary, noted that the president argued for using Clancy’s text because “it gave an excellent picture of the Soviet Union’s intentions and strategy.”⁷²⁷ The impact that the text had on policy went beyond recommendations from the president. *Red Storm Rising* was as wildly successful as Clancy’s earlier texts. According to historian Walter Hixson, the best seller shaped the discourse and aspects of public opinion regarding defense and security policy.⁷²⁸ The vignette of Clancy’s fictional sealift offered a surprising

⁷²⁵ Ibid, 164.

⁷²⁶ Ibid, 164. The bulk of this section of the book covers U.S. maritime policy and the sealift during Clancy’s fictional war.

⁷²⁷ Robert Hutton, “How Reagan Prepped for Gorbachev Summit With Tom Clancy Thriller”, *Bloomberg*, December 20, 2015. <http://www.bloomberg.com/news/articles/2015-12-30/how-reagan-prepped-for-gorbachev-summit-with-tom-clancy-thriller> Accessed on April 10, 2016.

⁷²⁸ Ibid.; Walter Hixson, “Red Storm Rising’: Tom Clancy’s Novels and the Cult of National Security,” *Diplomatic Security*, Vol. 17, No. 4, (1993), 599-614. Hixson, a cultural historian, discusses the role of Clancy’s various novels as an instrument of mass media conditioning. Hixson argues for a critical evaluation of Clancy’s works as a method of coping with Cold War atomic anxieties. For more on mass media in American political discourse from 1945 to 1991, see Steven Whitfield, *The Culture of the Cold War*, (Baltimore, MD: Johns Hopkins University Press, 1991)

illustration in popular culture of the collapsed of the American maritime industry. Moreover, the episode indicated the inaction of both politicians and the general population to another potential threat to national security.

Seemingly connected to fictional sealift featured in Clancy's text, in 1988 the DoD staged the largest conventional deployment and resupply exercise since World War II. The *Reforger* (an imprecise anagram for "Return of Forces to West Germany") exercises began in the late 1960s after the transfer of combat divisions from NATO positions in Western Europe to Vietnam. In order to illustrate American commitment to defending against Soviet forces, the DoD began the annual *Reforger* logistics exercises and practice deployments of at least a division from the bases in the United States to NATO bases in the Netherlands and West Germany in 1969.⁷²⁹ Army units prepositioned tanks, armored personnel carriers, and a limited supply of ammunition and relied upon airlift operations to fly soldiers into bases in West Germany. The purpose of the exercises was to prove that the U.S. could reinforce NATO positions in Western Europe in case of Soviet attack. Instead of relying entirely on cargo and personnel flights from the U.S., *Reforgers* before 1988 featured limited maritime maneuvers.⁷³⁰

Prior to the 1980s *Reforgers*, other DoD exercises illustrated weaknesses of U.S. logistics support plans. "Nifty Nugget," a military and civilian airlift and sealift exercise staged in 1978, was the worst example of DoD logistic ineptitude. "Nifty Nugget,"

⁷²⁹ Lt. Col. Martyn Morford and Captain Greg Jones, "Sustaining A Cold War Army", *Millrinder*, No. 2, (2011), 21-22. The article appeared as an official history in the Army's 21st Sustainment Command's quarterly newsletter. The deployments featured a mixture of active and reserve units and featured coordination with airlift and sealift commands.

⁷³⁰ Simon Duke, *United States Military Forces and Installations in Europe*, (New York: Oxford University Press, 1989), 24. Duke wrote his original report for the Stockholm International Peace Research Institute.

which simulated a Warsaw Pact invasion of Western Europe, failed to account for adequate ships or aircraft for cargo. In the simulation, the totality of U.S. conventional forces in Europe were destroyed and nearly 400,000 soldiers “died” because cargo ships failed to arrive in time to deliver parts, ammunition, and other supplies. The prepositioning of equipment was not a factor in the simulation. Most equipment was destroyed without other needed supplies.⁷³¹ Episodes such as “Nifty Nugget” had their limits and merely reinforced the need for the actual redeployments of *Reforger*. The horrific concept of all conventional forces and troops in Europe dying as a result of an inadequate sealift and airlift chastened planners for future exercises.⁷³² *Reforger 88*, known as Operation Certain Challenge, became the largest actual redeployment of troops to Western Europe since the end of World War II. *Reforger 88* also included a massive sealift operation from the United States to Military Traffic Management Command (MTMC) terminals in Western Europe. In spite of a thaw in relations between the Soviet Union and the United States, *Reforger 88* deployed nearly 125,000 troops as an overt demonstration of U.S. logistical prowess.⁷³³

Reforger 88 illustrated the extent of containerization’s effects on military logistics. As an annual planned exercise, the lack of spontaneity in *Reforger* meant

⁷³¹ James K. Matthews and Cora Holt, *So Many, So Much, So Far, So Fast: United States Transportation Command and Strategic Deployment for Operation Desert Shield/Desert Storm*, (Washington, DC: Joint History Office, Office of the Chairman of the Joint Chiefs and Research Center, United States Transportation Command, 1992.), 1-11. The authors failed to identify the important details of “Nifty Nugget”. They spoke of the broad strokes during the 1978 exercise as a bad antecedent to what they described as a successful Desert Storm/Desert Shield sealift and airlift in 1990. The authors describe the simulation’s death toll with “nearly all the 400,000 troops in theater “died.”

⁷³² Ibid, 2.

⁷³³ Morford and Jones, “Sustaining A Cold War Army”, 22.

staging materials and contracting shipping was a regularly scheduled operation. In addition, loading “roll-on/roll off” (RO/RO) vessels headed to Europe at MTMC/TRANSCOM ports in Texas, North Carolina, and other terminals became an exercise under normal, non-wartime conditions. RO/ROs featured large ramps and flat decks for armored vehicles. The ships for *Reforger*, both U.S. and foreign flagged, were contracted well ahead of time. In addition, the vessels were in place for weeks or months in waters off the MTMC container and breakbulk terminals in Beaumont, Texas, and Wilmington, North Carolina.⁷³⁴ *Reforger 88* took nearly a month to transport materials to the port of Rotterdam in The Netherlands. Rotterdam, in the Rhine/Meuse delta, had long been an important port in Europe. Containerization fundamentally altered Rotterdam beginning in the mid-1960s. Road and rail access from Rotterdam to the interior of Europe, especially the industrial regions along the Ruhr River, transformed it into the continent’s biggest port.⁷³⁵ Beginning in the late 1970s labor costs and persistent work stoppages along Rotterdam’s piers led the Dutch government to investigate methods of automating the ports. Initial experiments, started in 1984 at Rotterdam’s *Europoort*, included a massive expansion of container capacity and automated container handling systems.⁷³⁶

⁷³⁴ Ibid, 22.; Duke, *United States Military Forces and Installations in Europe*, 24.

⁷³⁵ David M. Williams, “Recent Trends in Maritime and Port History”, in *Struggle for Leadership: Antwerp-Rotterdam Port Competition, 1870-2000*, (New York: Springer, 2000), 11-13. German bombing of Rotterdam in 1940 destroyed much of the city’s port infrastructure. The reconstruction project after World War II made Rotterdam the newest, most technologically advanced port in Europe.

⁷³⁶ Theo Notteboom, “Thirty-Five Years of Containerization in Antwerp and Rotterdam: Structural Changes in the Container Handling Market”, in *Struggle for Leadership: Antwerp-Rotterdam Port Competition, 1870-2000*, (New York: Springer, 2000), 117-129. Notteboom argues that labor costs drove Rotterdam to automate. By 2000, much of Rotterdam’s container handling systems became fully automated. For off-loading, ships arrived at the port and mostly automated cranes handled containers. The cranes then placed containers on tractor trailers or rail cars.

Across the Rhine/Meuse delta in the Rotterdam suburb of Capelle aan den IJssel sat the MTMC's primary port for Northwestern Europe. Proximity to the North Sea and the rail and road access to U.S. bases in Europe made it a prime location for landing materials on a regularly scheduled basis. Moreover, in case of a conflict with the Soviets, the MTMC's terminal on the Rhine/Meuse would be able to provide direct access to NATO bases in the Netherlands and West Germany. Ships could deliver heavy equipment and supplies, such as tanks, fuel, and other non-containerized material.⁷³⁷ *Reforger 88* featured an extraordinary deployment of materials to Europe. After action reports illustrated the volume of containerization at the MTMC's terminal in Capelle aan den IJssel. RO/ROs and standard cargoes landed at the MTMC port while automated "computerized travel models" and containers ensured "port operations ran very smoothly."⁷³⁸

The redeployment exercise, however, lacked the spontaneity of an enemy invasion and took entirely too much time to be considered "smooth" or efficient. According to a RAND Corporation study commissioned by the DoD in early 1989 and completed in early 1990, emergency sealift reinforcement from the Continental United States (CONUS) to Rotterdam and Antwerp should take no more than 17 days.⁷³⁹ Even

⁷³⁷ Duke, *United States Military Forces and Installations in Europe*, 24.

⁷³⁸ "REFORGER '88 Gets Belgian Welcome," *Translog: Defense Transportation System Bulletin*, (Scott Air Force Base, IL), November 1988, 127-128. The article quote Army personnel station at Antwerp and Rotterdam on the "smooth" operation. The article failed to identify which automated systems were used. Automated cranes were part of container operations at nearly every port in the world by 1985. For more, see Levinson, *The Box*, 234.

⁷³⁹ Myron Hura and Richard Robinson, *Fast Sealift and Maritime Prepositioning Options for Improving Sealift Capabilities*, (Santa Monica, CA: RAND Corporation, 1991), vi-viii. The study, while published in 1991, ended in March, 1990. The authors note the decline in U.S. flagged shipping as a threat and added precious time for shipping military unit equipment (u/e).

with the regularity of *Reforgers* and the repositioning of materials for completion of the exercise, the MSC and MTMC took a full month to complete the cargo aspect of the mission. In essence, the extra two weeks to transport materials in a practice exercise was unacceptably long.⁷⁴⁰

According to military sources following *Reforger 88*, the solution for slow cargo delivery in military logistics was more automation and less civilian labor. Officers at MTMC terminals enumerated the complex interaction at the piers under their command. LTC Clark Hall and LTC Vincent Bernhard explained the complex interaction between shippers, the military, and what the two officers described as the “labor intensive process...of the movement of cargo itself.”⁷⁴¹ Rather than focusing on laborers in MTMC activities, Hall and Bernhard emphasized the automated models the MTMC used for faster throughput at ports. “Virtually all sustainment [of DoD missions] will move in containers via the commercial transportation network.”⁷⁴² Beyond their endorsement of containers providing “unprecedented efficiency within the transportation system,” they similarly testified to a second model also coming from the private sector. The officers looked to the “success of Federal Express (FedEx),” which they stated was the exemplar of correct logistics management. Hall and Bernhard, however, criticized the increasing

⁷⁴⁰ “REFORGER ’88 Gets Belgian Welcome”, *Translog: Defense Transportation System Bulletin*, (Scott Air Force Base, IL), November 1988, 127-128.

⁷⁴¹ Clark Hall and Vincent Bernhard, “Container Management During Desert Shield/Storm: An Analysis and Critique of Lessons Learned,” Group Study Project, U.S. Army War College, 1993, 13-15. Hall and Bernhard were respectively in command of the piers of the MTMC terminals in California and South Korea. LTC Hall went on to become the MTMC’s Chief of Staff by 2001. For more on Hall’s career, see “Military Motor, Rail Carriers: MTMC puts automatic fuel adjustment in effect”, *US TRANSCOM*, Press Release, April 2, 2001.

⁷⁴² Hall and Bernhard, “Container Management,” 2.

subcontracting of military logistics support to the private sector. The authors concluded that the MTMC needed to invest heavily in containerization.⁷⁴³ In doing so, the authors inadvertently advocated the private sector and the container as the only solution for DoD cargo handling.

By the late 1980s, the container's efficiency in deindustrializing the waterfront coupled with federal criminal investigations heavily damaged maritime labor. The term deindustrialization entered the American political and economic discourse after the publication of Bennett Harrison and Barry Bluestone's 1980s text *The Deindustrialization of America*. Harrison and Bluestone focused on populations undergoing upheaval and mass unemployment as a result of plant closures in urban areas. Poverty, crime, and related social ills followed the "ruins" of manufacturing towns and abandoned factories the authors described.⁷⁴⁴ The authors interviewed workers undergoing the trauma of losing their places of work and as a result, their communities. One worker in Youngstown, Ohio, argued that "what Hitler couldn't do, the [demolishers of his plant] did."⁷⁴⁵ Harrison and Bluestone's emphasis on the Upper Midwest and Northeast car plants and steel mills failed to capture the totality of what globalization had

⁷⁴³Ibid, 11.

⁷⁴⁴ Bennett Harrison and Barry Bluestone, *The Deindustrialization of America: Plant Closings, Community Abandonment, and the Dismantling of Basic Industry*, (New York: Basic Books, 1982.), 1-6. The author's focus on cities such as Youngstown, Ohio, or Detroit and other "Rust Belt" cities of the economically depressed Midwest and Northeast. Their study illustrated the long term human and industrial damage wrought by economic lethargy during the late 1960s and early 1970s.

⁷⁴⁵ Quoted in Jefferson Cowie and Joseph Heathcott, "The Meanings of Deindustrialization," in *Beyond the Ruins: The Meanings of Deindustrialization*, Jefferson Cowie and Joseph Heathcott, eds., (Ithaca, NY: Cornell University Press, 2003), 1-2.

wrought on the American working class. Harrison and Bluestone failed to make one mention of maritime trades, the terms maritime, waterfront, or longshoremen.

While scholars such as Harrison and Bluestone lamented the rapidly deteriorating “Rust Belt,” the members of the International Longshoremen’s Association (ILA) were under perpetual federal harassment regarding alleged mafia connections and other unsavory behaviors. Allegations of mafia influence on the docks and among the workers persisted after a flurry of federal investigations in the 1960s and 1970s.⁷⁴⁶ By the late 1980s, federal investigations of a new generation of organized crime leaders resulted in media attention linking the mafia and the ILA.⁷⁴⁷ State and federal investigations in New York of Gambino crime family leader John Gotti found racketeering activity along the docks of Brooklyn waterfront. Brooklyn ILA leader Anthony Pimpinella simultaneously maintained his membership in the union and the Gambino family. According to testimony in federal court, Pimpinella was a mobster who used his position in the ILA to further the Gambino’s loan sharking, gambling, and smuggling operations on the docks.⁷⁴⁸ As with incidents of mafia infiltration of the docks in the 1940s or the 1960s, the limited criminal element within the ILA of the 1980s became overblown by sensationalized media reports. John Gotti, known as the “Teflon Don,” became a flamboyant, notorious figure in mass media during the late 1980s and early 1990s. The

⁷⁴⁶ Jacobs, *Mobsters, Unions, and Feds*, 228.

⁷⁴⁷ Ibid.

⁷⁴⁸ Alan Abrams, “Brooklyn ILA Leaders Called Part of the Family”, *Journal of Commerce*, (New York), April 24, 1991. Abrams indicates that the story of Gotti’s influence on the ILA first came to light in court documents and the media during the late 1980s.

ILA sharing the spotlight with Gotti's lengthy record of corruption easily categorized the longshoremen as proxies for criminality.⁷⁴⁹

Automation compounded the ILA's problems in the late 1980s. The containerization of piers and ships accelerated during the latter half of the decade. 75 percent of longshoremen lost their jobs as a result of automation at large Atlantic ports such as New York and Baltimore.⁷⁵⁰ Containerization had as profound an impact as deindustrialization in the "Rust Belt." No texts or national attention, however, came to the rescue lamenting the "criminal" longshoremen. Rather, the opposite, or ignoring the plight of workers on the waterfront was true and had been since the invention of the container.⁷⁵¹

Maritime labor's twilight along the piers of America's waterfront became an issue in the election of 1988. Vice President, George H.W. Bush, ran to succeed President Reagan and pledged to continue his policies. Similar to Reagan, Bush promised to continue defense reforms and arms reduction talks with the Soviet Union. Bush's lengthy resume in national security and foreign affairs lent credence to his assertions that he was the candidate in the best position to shepherd the United States through the waning days of the Cold War.⁷⁵²

⁷⁴⁹ Ronald Sullivan, "Officers of Dock Union, Linked to Mafia, Agree to Quit", *The New York Times*, December 19, 1991.

⁷⁵⁰ Levinson, *The Box*, 267. Levinson's measurement "75 percent" of hourly work and employed longshoreman reductions happened between 1959 to 1980.

⁷⁵¹ Levinson, *The Box*, 243.

⁷⁵² Christopher Maynard, *Out of the Shadow: George H.W. Bush and the End of the Cold War*, (College Station, TX: Texas A&M University Press, 2008), 2.

In terms of continuing Reagan’s maritime policy, Bush’s promises were identical to that Reagan’s 1980 campaign. In 1980, Reagan’s campaign proposed a seven point plan to preserve the domestic maritime industry. Reagan’s litany of proposals included preservation of shipbuilding, upholding the sanctity of the Jones Act, and maintenance and growth of the U.S. flagged merchant fleet. Reagan promised to place the concerns of the maritime industry and labor interests at the center of his plan and coordinate the nation’s maritime infrastructure for national defense.⁷⁵³ Bush’s six point plan similarly called for a revitalization of the U.S. flagged fleet, maintenance of the Jones Act, and action on matters of government procurement by “consulting representatives of the maritime industry and labor groups.”⁷⁵⁴ Bush’s nearly identical plan earned several endorsements from maritime labor, including the prominent AFL-CIO’s National Marine Engineers’ Beneficial Association (NMEBA). Bush’s accumulation of endorsements and his close connection to Reagan contributed to his victory at the polls in November.⁷⁵⁵

Upon assuming office in January 1989, Bush placed a priority on coordinating national security issues while keeping an eye on the waning Soviet economy and military. Bush’s national security team included several Ford administration officials. Former National Security Advisor Brent Scowcroft served in the same capacity for President Bush. Ford’s Chief of Staff, Congressman Richard “Dick” Cheney of Wyoming, became

⁷⁵³ Thomas A. Schaff, “Six Years of Maritime Decline”, *Journal of Commerce*, (New York), April 8, 1987.

⁷⁵⁴ “NMEBA endorses Bush for President”, *The American Maritime Engineer*, (Washington, DC), October, 1988. Helen Delich Bentley Papers, Langsdale Memorial Library, University of Baltimore, Baltimore, MD. The NMEBA was the oldest surviving maritime union in the United States.

⁷⁵⁵ Maynard, *Out of the Shadows*, 3. Maynard claims Bush’s limited support from labor organizations helped his campaign in key states.

Secretary of Defense. Bush and Cheney’s tenure came at the close of the Soviet Union’s ability to maintain its role as a strategic competitor of the United States. Bush’s own recollection of assuming office indicated the dramatic shift in U.S./Soviet relations.⁷⁵⁶ “[Gorbachev] promised to shift Soviet military doctrine to a more defensive stance and would unilaterally reduce their armed forces by 500,000 in two years—which, given their total size, was small but a good start.”⁷⁵⁷ The concept of a reduction in Soviet forces, previously unthought-of in the West, indicated the economic stabilization program launched by Gorbachev years earlier failed. In addition, Gorbachev promised to begin withdrawing Soviet armored divisions from Czechoslovakia, East Germany, and other Warsaw Pact members by 1991. The largest conventional threat to NATO since World War II had been the overwhelming numerical advantage that the Soviets had in tanks and other armored vehicles along the West German border. The indication that this threat would be removed in less than two years illustrated the startling changes underway in military affairs.⁷⁵⁸

Proof of the rapid change in the global security situation and an emphasis on non-Soviet targets came in the first year of the Bush administration. The Bush administration shifted its attention to smaller scale conflicts and interventions starting with the invasion of Panama in December, 1989. The relatively small Operation Just Cause deposed Panamanian dictator Manuel Noriega with relative ease. Logistics for the operation

⁷⁵⁶ George Bush and Brent Scowcroft, *A World Transformed*, (New York: Knopf Doubleday, 2011), 6.

⁷⁵⁷ *Ibid*, 6.

⁷⁵⁸ *Ibid*, 6.

proved to be a simple exercise of airlift and reliance on materials already in the area. The collection of U.S. bases within the Panama Canal Zone provided the material support for the invasion force. At least half of the 25,000 troops involved in the operation were already stationed in the Canal Zone.⁷⁵⁹ The remaining balance of troops airlifted from bases in the United States. Close proximity to CONUS, the near universal surrender of Panamanian forces, and the rapid capture of Noriega in January 1990 halted combat operations relatively quickly.⁷⁶⁰ Political figures hailed the successful operation as proof of restored American military prowess. More critical voices noted that “a superpower just whipped the poop out of 10 percent of the police force of a Third World nation. You are supposed to be able to do that.”⁷⁶¹

Changes in the security situation revived governmental attention toward defense maritime matters as well. By 1989, the number of U.S. flagged merchant ships fell to its lowest level since before World War I. Compounding the disappearance of U.S. flagged shipping, replacement ships from the Ready Reserve Force (RRF) sat at their moorings decaying and needing repair. The Department of Transportation’s Maritime Administration (MARAD) repeatedly requested millions in funding to maintain the ships of the RRF. Repeatedly, Congress underfunded MARAD’s requests. For the 1990 budget, MARAD requested \$118 million to maintain the ships of the RRF for emergency

⁷⁵⁹ Jennifer Morrison Taw, *Operation Just Cause: Lessons for Operations Other Than War*, (Santa Monica, CA: RAND Corporation, 1996), vii-x.

⁷⁶⁰ *Ibid*, vi. The invasion, occupation, and deposition of Noriega began on December 20, 1989 and ended on January 3, 1990.

⁷⁶¹ *Ibid*, vii. The source of the colorful quote about the Panamanian resistant was an unnamed Marine corporal shortly after the completion of Operation Just Cause.

activation. MARAD received \$59 million, or half its initial request. Of the 76 ships MARAD deemed capable of responding to emergency orders, the agency only fully maintained 21 ships for reactivation.⁷⁶²

Shortly before the invasion of Panama in October of 1989, the Bush administration issued National Security Directive 28 on the subject of sealift. Following up on his campaign promise to ensure the importance of U.S. flagged shipping, President Bush established policy guidelines to “ensure that the U.S. maintains the capability to meet sealift requirements in the event of crisis or war.”⁷⁶³ Pursuant to that end, the Bush administration instructed the DoD even in peacetime to “operate a minimum number of sealift ships, including reserve ships.” This order required for the DoD to plan for any contingency or as tested in exercises.⁷⁶⁴ Finally, the Bush administration’s attempt to bolster a rapidly deteriorating sealift fleet included a massive recalibration of reliance on NATO allies shipping fleets. Public statements during the Reagan administration alluded to using shipping under allied control, mostly from NATO partners. In the case of Bush’s change in policy, he intended for the United States to “be prepared to respond unilaterally to security threats.” In addition, the new policy demanded that “sufficient U.S.-owned sealift resources must be available to meet requirements for such unilateral

⁷⁶² Mercogliano, “Sealift”, 394. “Reactivation” for RRF ships meant restoring vessels to fully operational status sitting at MARAD moorings in Virginia, Texas, and California. Ships were supposed to be kept available for complete reactivation and ready for wartime duty in five to twenty days.

⁷⁶³ National Security Directive 28, “National Security Directive on Sealift”, October 5, 1989. <https://fas.org/irp/offdocs/nsd/nsd28.pdf> Accessed on April 30, 2016. Signed by George H.W. Bush.

⁷⁶⁴ Ibid.

action.”⁷⁶⁵ With the directive of the Bush administration, an attempt at altering and restoring the sealift fleet was at hand.

Direct action by the Bush administration for a restoration of sealift capability came in the midst of media reports and statements from allies airing serious concerns about preparedness. Supreme Allied Commander Europe General John Galvin stated that NATO allies were growing increasingly concerned during the late 1980s about the “crisis in the U.S. shipping industry.” According to Galvin, sealift capabilities were “weak in the ability to move things in the first few days of a crisis.”⁷⁶⁶ Repeated calls for preservation of U.S. flagged shipping fell on uninterested ears throughout the 1980s. By 1989, however, concern for the vitality of the shipping economy came from military leadership. TRANSCOM Deputy Commander VADM Albert Herberger echoed the sentiments of Galvin as well as that of European allies. According to Herberger, “for the first time in U.S. history, three key elements for a healthy shipping industry are in decline: numbers and types of ships, trained personnel to man and load cargo ships in wartime, and the industrial base to build and repair ships.”⁷⁶⁷ From Herberger’s vantage point, the long decline in the maritime industry had reached a crisis point. Herberger’s mention of “personnel to man and load cargo ships” was a rare acknowledgment of labor’s role in military logistics.⁷⁶⁸ According to Herberger “our ships carry only 4

⁷⁶⁵ Ibid.

⁷⁶⁶ Theresa Hitchens, “NATO Chief pushes for National Sealift Policy”, *Navy Times* (Washington, DC), September 4, 1989.

⁷⁶⁷ Ibid.

⁷⁶⁸ Ibid.

percent of the total of U.S. commerce.” “A new sealift policy would increase U.S. competitiveness in shipping and provide a military advantage.”⁷⁶⁹ Herberger went as far as to state that he was “confident Congress will support revitalizing the shipping industry.”⁷⁷⁰ Galvin echoed Herberger’s promise of congressional support.⁷⁷¹ Herberger did not ‘promise’ Congressional support. “In fact”, Galvin stated, “I think Congress is very interested in it, and as am I.”⁷⁷²

In spite of executive and military support for sealift restoration and the preservation of what VADM Herberger described as “trained personnel to man and load cargo ships in wartime,” the plan found limited support in Congress. Shortly after the Bush administration’s directive on sealift and public military support was released, Florida Congressman Charles Bennett introduced legislation for a sealift revival with the Merchant Marine and Defense Act of 1989. The bill expanded the subsidies offered by MARAD for U.S. flagged shipping to include any ship capable of supporting an emergency sealift.⁷⁷³ Maryland Congresswoman Helen Delich Bentley, a cosponsor of the bill and longtime expert on maritime affairs, advocated passage for the sake of rescuing the U.S. flagged fleet. According to Bentley, the federal government’s long “benign neglect” of the maritime industry caused “intolerable losses to the maritime

⁷⁶⁹ Ibid.

⁷⁷⁰ Ibid.

⁷⁷¹ Ibid.

⁷⁷² Ibid.

⁷⁷³ Merchant Marine and Defense Act of 1989, H.R. 2463, 101st Congress.
<https://www.congress.gov/bill/101st-congress/house-bill/2463>. Accessed on April 22, 2016. The operating subsidy offset the higher costs of U.S. flagged shipping against lower cost foreign shipping.

industry—some to the point of near extinction.”⁷⁷⁴ Rather than dwelling on how much damage “benign neglect” inflicted upon the maritime industry, Bentley addressed the legislation at hand. She noted that H.R. 2463 represented a comprehensive approach to the “very serious deficiencies of our maritime industries.” Bentley added the bill “mirrored the proposals of the President.”⁷⁷⁵

In spite of broad support from members of Congress representing maritime districts or coastal states, members of the Bush administration and the remainder of the House opposed H.R. 2463. MARAD Administrator Warren Lebeck affirmed the fact that the maritime industry had suffered a steep decline since the Second World War. Rather than looking at H.R. 2463 as a solution to cure the maritime industry’s ills, Lebeck stated that the Department of Transportation could not support the bill. Lebeck argued that while “similar declines have occurred in the fleets of our NATO allies,” the administration “could not support programmatic legislative initiatives proposed in the bill.” According to Lebeck, the administration opposed the tenets of the bill, which increased the operating differential for U.S. flagged shipping.⁷⁷⁶

⁷⁷⁴ Helen Delich Bentley, “Remarks at Joint Hearing on H.R. 2463”, October 18, 1989. Helen Delich Bentley Papers, University of Baltimore, Langsdale Memorial Library, Series 6-C, Box 21. Bentley’s expertise came from a long career as the maritime editor of the *Baltimore Sun* and her service as Federal Maritime Commissioner during the Nixon administration. Bentley’s “intolerable losses” included the thousands of mariners unemployed after decades of an adrift maritime policy.

⁷⁷⁵ Ibid.

⁷⁷⁶ *Remarks at Joint Hearing on H.R. 2463, Before the Committee on Merchant Marine and Fisheries*, 100th Congress, 298 (1989) (Statement by Warren Lebeck, Maritime Administrator of the United States), Helen Delich Bentley Papers, Langsdale Memorial Library, University of Baltimore, Baltimore, MD. Lebeck stated that MARAD would propose their own alternatives at an ambiguous future date. Neither MARAD nor the Department of Transportation provided alternatives.

Following Lebeck's testimony before the House Merchant Marine and Fisheries committee, Congresswoman Bentley reminded Lebeck of other facts related to defense maritime matters. Bentley stated, "There is a regulation...requiring the Defense Department to ship all offshore supplies on U.S. flag ships...You know who we've had the most trouble with that amendment? It's over at the Department of Defense."⁷⁷⁷ Words seem to be missing. Bentley's interrogation of Lebeck went a step further than her criticism of cargo preference rules. Bentley stated, "They do not want to use it. The Navy does not want to use American flagged shipping. Why?"⁷⁷⁸ Rather than accusing the Navy of malfeasance and illegality in following cargo preference laws in her opening remarks, she used the question and answer period to raise the question of the Navy avoiding U.S. flagged shipping. Lebeck responded that it was the fault of lightly regulated private contractors, not the DoD. Lebeck explained that the methods of contractor expenditures were unregulated by the DoD or MARAD.⁷⁷⁹ In the closing of Bentley and Lebeck's conversation, the Congresswoman raise the cargo preference issue once more. "The reason we are putting the [cargo preference] in this law is because we are afraid the DoD will begin flim-flamming again. We are very aware of the games being played over there."⁷⁸⁰ The matter, however, would be rendered moot. Rather than offering an alternative for added funds devoted to preserving maritime labor and

⁷⁷⁷ *Remarks at Joint Hearing on H.R. 2463, Before the Committee on Merchant Marine and Fisheries*, 100th Congress, 298 (1989) (Statement by Helen Bentley, Member of Congress from 2nd District, Maryland), Helen Delich Bentley Papers, Langsdale Memorial Library, University of Baltimore, Baltimore, MD.

⁷⁷⁸ *Ibid.*

⁷⁷⁹ *Ibid.*

⁷⁸⁰ *Ibid.*

shipping, Lebeck and the administration's opposition killed H.R. 2463. Beyond the "benign neglect" suggested by Bentley, hesitance in enforcing regulations and apathy characterized national maritime policy the late 1980s.

In light of the failure of H.R. 2463, the DoD began to search for alternatives for U.S. flagged shipping and maritime labor. The DoD commissioned another RAND Corporation study of sealift in light of challenges posed by automation and a changing global logistics marketplace. According to the study, "until recently, the privately owned U.S. flag merchant fleet provided sufficient numbers of cargo ships to transport military unit equipment. The direct military utility of this fleet decreased substantially because of increased proportion of containerships."⁷⁸¹ RAND's concern in the decline American maritime infrastructure by 1989 and 1990 included shipping and labor. The trend of containerization in commercial logistics ultimately debased the DoD's ability to support a sealift mission because "special cargo modules [containers] cannot carry the vast majority of Army u/e."⁷⁸² Subsequently, the DoD deepened its commitment to modified container ships to carry a combination of cargo boxes and non-modular military equipment such as tanks, helicopters, and other items that did not fit into containers. Additionally, the DoD developed an "auxiliary crane ship" program. The "crane ships" would assist ships carrying DoD containers to ports without container facilities. The two

⁷⁸¹ Myron Hura and Richard Robinson, *Fast Sealift and Maritime Prepositioning Options for Improving Sealift Capabilities*, (Santa Monica, CA: RAND Corporation, 1991.), v.

⁷⁸² Ibid, v. "U/E" is an acronym for military unit equipment in the study.

programs existed because the DoD designed “military equipment to fit commercial containers, thereby increasing the transportability of military forces.”⁷⁸³

The RAND study suggested the solution to all future DoD transportation needs, further containerization and subcontracting of logistics support to the private sector. At the outset of their study, the authors discussed the most “important trends in civil shipping.” “Integrated logistics companies provide end-to-end transportation services. This evolution will continue to affect the types of ships being built and the availability of those ships.”⁷⁸⁴ Due to increasingly containerized ports and sea lanes, the authors concluded that rapid change in global shipping “can be viewed as a mixed blessing.” Intermodality of containers, which the study described as “synchronization with all transportation modes,” indicated one of the many benefits of recent trends towards efficiency in cargo movement.⁷⁸⁵ Finally, the authors concluded their study with a broad overview of the commercial shipping industry’s efforts in automation. “The trend towards increased use of intermodal transportation will continue to reduce the number of [non-container] ships in the U.S. merchant fleet. Given these circumstances, DoD either has to fund programs to preserve ship classes that are no longer commercially attractive or has to adapt to containerization.”⁷⁸⁶ Given the predisposition to automation in previous government studies and actions, the DoD’s adaptation of containerization was already well underway.

⁷⁸³ Ibid, vi.

⁷⁸⁴ Ibid, 6.

⁷⁸⁵ Ibid, 6.

⁷⁸⁶ Ibid, 6.

By late 1989 and early 1990, DoD logistics planning for warfare became a secondary concern as a result of the accelerated decline of the Soviet Union. In Eastern Europe, calls for reform in Warsaw Pact states became full scale popular uprisings against forty years of Soviet occupation or control. East Germany, the launching point for a Soviet invasion of the West, became the first of the Warsaw Pact satellites to fall.⁷⁸⁷ The cascading rebellions or peaceful insurrections spread to the remaining countries under indirect Soviet control such as Romania, Czechoslovakia, and Poland. The rapidly escalating crisis posed a diplomatic and security challenge for the Bush administration. NATO allies grew concerned for instability in the East while the Bush administration prepared for the consequences of the Soviet Union's collapse. According to contemporary reports, the U.S. government feared instability, but welcomed reform.⁷⁸⁸ One unnamed official cautiously warned, "If the opposition runs amok, we've got a potential problem."⁷⁸⁹

With the attention of the world focused on the Soviet collapse, long smoldering turmoil in the Middle East ignited in the summer of 1990. For nearly a decade after the Islamic Revolution of 1979, Iraq and Iran fought a long, bloody war. Nearly 1.8 million Iraqis and Iranians died and eight years of war drained each country's economic resources.⁷⁹⁰ At the war's cessation in 1988, Iraqi dictator Saddam Hussein requested

⁷⁸⁷ Maier, *Dissolution*, 133, 288.

⁷⁸⁸ Doyle McManus, "E. Germany's Sudden Shift Has U.S. Officials on Guard", *The Los Angeles Times*, November 18, 1989.

⁷⁸⁹ Ibid.

⁷⁹⁰ Steven A. Yetiv, *The Persian Gulf Crisis*, (Westport, CT: Greenwood Press, 1997), 6. Iraq's war debt in 1988 amounted to nearly \$100 billion. According to Yetiv, it would have taken 20 years of oil revenues to

fellow Arab League members to help pay off accrued war debt by cutting oil production. The Arab members of the Organization of Petroleum Exporting Countries (OPEC), along with other members, voted against Hussein's demand to cut production as well. When rebuffed by Arab allies, Hussein took neighboring Kuwait to task and demanded compensation for drilling oil wells across the Iraqi border.⁷⁹¹ The Emir of Kuwait and his oil minister denied the charges, but Hussein remained resolute. During the summer of 1990, the enormous Iraqi army conducted exercises along its border with Kuwait. Hussein threatened Kuwait by referring to the wealthy Persian Gulf emirate as the "19th province of Iraq." Repeated veiled and open threats by Hussein continued into July of 1990.⁷⁹²

American involvement in Middle Eastern affairs increased throughout the 1970s and 1980s. Interest in Israeli security, the region's oil supply, and Soviet proximity to the Persian Gulf following its invasion of Afghanistan in 1979 cemented U.S. alliances with Arab states. The American interest in interdicting Soviet machinations, as well as deterring post-1979 Iranian vows to expand into neighboring countries, deepened U.S. commitment in the region.⁷⁹³ By the late 1980s, the United States had a regular naval presence in the Persian Gulf. Iranian expansion into the Gulf included minefields and small scale skirmishes with U.S. naval vessels. The U.S. Navy went as far as escorting

pay down the massive debt load. Iran's debt amounted to less than half that amount. Iraq's higher debt was the result heavy borrowing to purchase American and Soviet weapons systems.

⁷⁹¹ Ibid, 6. Kuwait, the United Arab Emirates, Saudi Arabia, and Oman voted against the Iraqi proposal.

⁷⁹² Ibid, 7.

⁷⁹³ Paul Westermeyer, *Liberating Kuwait: U.S. Marines in the Gulf War, 1990-1991*, (Quantico, VA: History Division, United States Marine Corps, 2014), 14-16.

oil tankers through the Iranian minefields near the strategically vital Straits of Hormuz. Preservation of the integrity of sea lanes and securing stable oil prices for economic purposes was at the heart of American strategy in the Persian Gulf.⁷⁹⁴

Military presence aside, the U.S. exerted financial and diplomatic pressure on Middle Eastern states, including Iraq. During the 1980s, Iraq's war with Iran drew the attention of U.S. policy makers. The U.S. provided financial support and used the Iraqi regime as a proxy against Iran. Ironically, Iraq used American economic incentives to purchase computers from companies such as Hewlett-Packard and heavy weapons and armor from the Soviet Union.⁷⁹⁵ In the summer of 1990, while Hussein made bellicose statements, the Bush administration hoped to remind the Iraqi regime of the informal alliance it had with the U.S. several years earlier. Bush and State Department officials issued warnings to Iraq to cease its threats and military buildup along the Kuwaiti border. With nearly a million troops and thousands of tanks, the Iraqi Army and Hussein seemed incline to disregard its recent ally.⁷⁹⁶

In spite of U.S. warnings, Iraq followed through on its threats and invaded Kuwait on August 1, 1990. After the Iraqi army quickly overran Kuwait, the U.S. quickly responded diplomatically and with military preparations. President Bush made vows that the "aggression against Kuwait will not stand" while the United Nations Security Council passed resolutions calling for Iraq's withdrawal from Kuwait.⁷⁹⁷ On August 4th, Bush

⁷⁹⁴ Ibid, 16.

⁷⁹⁵ Bruce W. Jentleson, *With Friends Like These: Reagan, Bush, and Saddam, 1982-1990*. (New York, W.W. Norton, 1994), 122.

⁷⁹⁶ Westermeyer, *Liberating Kuwait*, 21.

⁷⁹⁷ "This Aggression Will Not Stand", *The New York Times*, March 1, 1991.

assembled his national security staff to discuss options for responding to the invasion. As Iraq's stated goal was economic restoration through oil revenues, the Bush administration feared interruption of oil supplies from the Gulf and the Iraqi threat to petroleum rich regions in Saudi Arabia. After securing permission from King Fahd of Saudi Arabia and other Gulf state emirs and monarchs, the United States began its operations to secure the economic and military integrity of the region.⁷⁹⁸ The Bush administration formed a coalition while the DoD's prepared for military operations.

Similar to U.S. plans for the initial response to a Soviet attack on Europe, defending the Gulf from the enormous Iraqi Army relied on preposition materials and airlift. Following a meeting and a request for assistance from King Fahd, Secretary of Defense Dick Cheney ordered the deployment of the first wave of American support. Enormous C-5 Galaxy cargo jets and 747 passenger planes arrived in Saudi Arabia from the United States and NATO bases in Europe with essential equipment and personnel to defend the oil fields of the Kingdom. In the first week, thousands of American troops arrived in Saudi Arabia with limited equipment and supplies. The commitment of troops, however, failed to include sufficient armor or weapons to defend against the 5,000 tanks of the Iraqi army.⁷⁹⁹

Prepositioned materials, including armored vehicles, sat decaying aboard Military Sealift Command (MSC) ships anchored at the Indian Ocean island of Diego Garcia.

⁷⁹⁸ Andrew Rosenthal, "Bush Sends U.S. Force to Saudi Arabia as Kingdom Agrees to Confront Iraq," *The New York Times*, August 8, 1990.

⁷⁹⁹ Maureen Dowd, "Confrontation in the Gulf; The Longest Week: How President Decided to Draw the Line", *The New York Times*, August 9, 1990.; Westermeyer, *Liberating Kuwait*, 21.

Prepositioning materials in potential crisis points had long been a tactic of the DoD. The *Reforger* exercises relied on materials and vehicles stored in West Germany, the Netherlands, and Belgium. In the case of South Asian contingencies, the DoD prepositioned MSC ships 2400 miles to the southeast of the Arabian Peninsula on the British atoll of Diego Garcia.⁸⁰⁰ Their relatively close proximity to Saudi Arabia was a demonstration of good DoD planning for crises involving the Persian Gulf. The age of the materials, however, proved to be a challenge. Prepositioning ships as well as the cargo aboard the ships held required overhauls once every two years in order to maintain their operability. In the case of the five preposition ships at Diego Garcia in August, 1990, the vessels and their contents were at the end of the two year maintenance cycle. Gasoline in the fuel tanks denatured and rubber tires rotted on armored vehicles aboard ship in the heat and high humidity of the Indian Ocean. Furthermore, marine growth on the bottoms of the vessels reduced the operating speed of the prepositioning ships. On August 8th, the five prepositioning ships with aged and insufficient cargo departed Diego Garcia bound for the Persian Gulf.⁸⁰¹

The scale of Operation Desert Shield rapidly outgrew the insufficient and partially inoperable materials prepositioned in the region. According to the Bush administration, 50,000 U.S. personnel would be required to defend Saudi Arabia. That number increased greatly in light of the numerical superiority of the Iraqi Army over U.S. allies

⁸⁰⁰ Mercogliano, "Sealift", 376.

⁸⁰¹ Ibid, 377. The growth of marine life on the hulls of ships and other watercraft "fouls" the bottom. Fouling of vessel bottoms adds weight and increases drag on the hull. This can reduce speed by as much as 25 percent or more. The fuel issue also weighed heavily on readiness of prepositioned vehicles. The tropical climate allowed for algae growth in fuel tanks of army vehicles. The warm climate and salt in the sea air also corroded electronics and armor in a large portion of the vehicles.

in the region. The Bush administration initiated the largest military operation since the Vietnam War to defend the Arabian Peninsula. The United States planned to deploy as many as 450,000 military personnel to Saudi Arabia by the end of 1990.⁸⁰² By the second week of August, aircraft landed and unloaded troops, materials, and “outsized” equipment only deliverable by enormous Air Force C-5 cargo planes. “Outsized” equipment included armored vehicles and limited numbers of tanks. The limited number of C-5s and hazardous materials such as ammunition, however, meant that only 25 percent of materials or vehicles for the operation could be delivered to Saudi Arabia by air.⁸⁰³ Why were they delivering hazardous materials? With the limited capability of airlift, maritime logistics became the only solution for operational requirements. By August 8th, Secretary Cheney ordered the Navy and MARAD to begin preparations for a massive sealift from the United States to the Middle East.⁸⁰⁴

Once the decision was made to initiate a large scale sealift, warned deficiencies in American maritime preparedness came to the forefront. While the Bush administration marshalled diplomatic and airlift support during the second week of August, the sealift to support Operation Desert Shield began as well. The majority of emergency sealift resources existed on the Atlantic and Gulf Coasts. Planned for relieving NATO during a Soviet attack in Europe, the MTMC and MSC built up resources the Military Ocean

⁸⁰² Phillip Shenon, “Confrontation in the Gulf; U.S. Logistical Effort Nears Peak in the Gulf”, *The New York Times*, January 9, 1991.

⁸⁰³ Douglas Menarchik, *Powerlift—Getting to Desert Storm: Strategic Transportation and Strategy in the New World Order*, (Westport, CT: Greenwood Press, 1993), 51.

⁸⁰⁴ William DiBenedetto and Bruce Vail, “Military Sealift to Gulf Underway”, *Journal of Commerce*, (New York), August 10, 1990.

Terminals at Wilmington, North Carolina, Savannah, Georgia, and Beaumont, Texas. The eight converted *Algol*-class Fast Sealift Ships departed on August 7th and 8th from their moorings at naval bases along Atlantic coast, bound for the three Military Ocean Terminals.⁸⁰⁵ Fear of Iraqi armor and the rapid collapse of the Kuwaitis increased the urgency of finding enough ships to carry mechanized infantry divisions to the Gulf. Beyond the *Algol*-class ships, the lack of available shipping became obvious during the second week of August. The ships of the Ready Reserve Fleet would take weeks or months to activate. Breakbulk cargo ships able to hold the irregular size and shapes of military equipment were in short supply. Containerization had all but forced breakbulk service into extinction over the course of the 1970s and 1980s. By August 9th, the MSC had only secured one available merchant ship for the sealift.⁸⁰⁶

Containerization's damage to sealift became obvious when the *Algols* sat at their piers empty because there were not enough longshoremen for loading. Two of the eight *Algols*, *Capella* and *Altair*, arrived at Savannah on August 11 and the *Pollux* arrived at Wilmington on August 12.⁸⁰⁷ Upon the arrival of the ships, insufficient longshoremen meant long delays in loading containers, breakbulk cargo, and military equipment sitting at the piers. According to ILA Executive Vice President Benjamin Holland,

⁸⁰⁵ Mercogliano, "Sealift", 394. Infrastructure for sealift included road and rail infrastructure from larger military bases inland to the docks at Military Ocean Terminals in the three ports.

⁸⁰⁶ Ibid, 394.; Statement of Jack Katzen, Assistant Secretary of Defense (Production and Logistics), U.S. House Committee on Merchant Marine and Fisheries, Subcommittee on Seapower and Merchant Marine, October 18, 1989. October 18, 1989. Helen Delich Bentley Papers, Langsdale Memorial Library, University of Baltimore, Baltimore, MD. Katzen acknowledged the need for more breakbulk ships in the RRF nearly a year before the Iraqi invasion of Kuwait. The decline of available shipping was the reason for the Merchant Marine and Fisheries committee's investigation of federal maritime policy.

⁸⁰⁷ Matthews and Holt, *So Many, So Much, So Far, So Fast*, 271.

containerization reduced numbers of longshoremen at Wilmington-Sunny Point and along the Savannah River in Georgia. Ordinarily, the ports employed about “500 [longshoremen], at Sunny Point and Wilmington, North Carolina, general cargo and military.” According to Holland “once the Gulf War escalated, they needed a lot more [longshoremen] and the call went out.”⁸⁰⁸ Retired Marine Corps General Bernard Trainor and *New York Times* columnist Michael Gordon’s observation of the sealift illuminated the serious problems in the DoD’s plans and assumption that containerization could solve all problems in logistics. Trainor and Gordon commented that the delays on the piers was the “price of years of [DoD] neglect” of maritime labor and shipping.⁸⁰⁹

Luckily for the DoD and the success of the mission, the long maligned and marginalized longshoremen came to the rescue. Buses and private cars filled with longshoremen departed ports along the Atlantic and Gulf coasts and raced for Wilmington and Savannah. While military equipment travelled by road to the ports, thousands of longshoremen rushed to the terminal points along the same highways. According to Holland, “[the military] needed 2000 qualified longshoremen and we didn’t have 2000. That’s the advantage of the ILA. We were able to mobilize qualified longshoremen from far away, from Texas and Florida, to go and stay in Wilmington and

⁸⁰⁸ Benjamin Holland (President, International Longshoreman’s Association, Beaumont, TX), Telephone Interview with the author, September 2, 2015. Holland’s career with the ILA began in 1960 on the docks of Galveston, Texas. By the time of his interview with the author, he was with the ILA for 55 years.

⁸⁰⁹ Michael Gordon and Bernard Trainor, *The General’s War: The Inside Story of the Conflict in the Gulf*, (New York: Little, Brown and Company, 1995), 58. According to Gordon and Trainor, the exception to the neglect was purchase of the SL-7 fleet. The conversion of SL-7s into the *Algol*-class constituted the DoD’s lone sealift stabilization effort of the 1970s and 1980s. The *Algols* could carry nearly 15,000 tons, the equivalent of 230 C-5 flights.

Sunny Point and Savannah.”⁸¹⁰ Available longshoremen by 1990, however, were few and far between due to automation and containerization in previous decades. Holland continued: “They didn’t have the numbers (workers). They needed to work around the clock. They couldn’t work ten hours and take off or work ‘til midnight, fifteen hours. They needed to work around the clock. If not, they couldn’t get the ships loaded to get the military their cargo overseas.”⁸¹¹ After arriving at Wilmington, the longshoremen immediately went to work. By August 16, less than 72 hours after the ILA began coordinating the effort to get workers to Wilmington, the fully loaded *Pollux* departed for Dammam, Saudi Arabia. The remainder of the *Algols* summoned to Savannah and Sunny Point departed loaded by August 22.⁸¹²

The emergency round the clock operations conducted by the ILA continued well into August and September because of insufficient shipping. As car and busloads of longshoremen made their way to Wilmington, MARAD and the MSC activated the aged ships of the RRF. Several of the larger and faster ships laid up at RRF anchorages hadn’t been tested in nearly fifteen years.⁸¹³ Similar to the herculean effort to get longshoremen to the terminals in Wilmington and Savannah, the DoD relied upon maritime unions to find available retired or unemployed merchant mariners. Numbers of merchant mariners in the United States had dwindled to a precious few by 1990. It was so difficult finding

⁸¹⁰ Benjamin Holland (President, International Longshoreman’s Association, Beaumont, TX), Telephone Interview with the author, telephone interview, September 2, 2015.

⁸¹¹ Ibid.

⁸¹² Matthews and Holt, *So Many, So Much, So Far, So Fast*, 271.

⁸¹³ Gordon and Trainor, *The General’s War*, 59.

enough workers that the MSC and MARAD contracted then-retired merchant mariners able to operate RRF ships. Furthermore, older or seasoned mariners were the only personnel capable of operating older or obsolete machinery aboard RRF ships.⁸¹⁴

Overcoming large distances between anchorages and MSC terminals exacerbated the slow response by MARAD. Numerous RRF ships called into action sat at moorings along the Pacific Coast at San Diego, Los Angeles, San Francisco, or Seattle. For example, the *Cape Horn* was among the first of the RRF vessels activated in San Francisco on August 8th. Passing through the Panama Canal, the *Cape Horn* travelled 5,100 miles at sea before it arrived at its designated Military Ocean Terminal in Beaumont, Texas, on September 1st.⁸¹⁵ Rather than a total disaster because the DoD neglected sealift requirements, the sparse remnants of the maritime industry arrived just in time to salvage the situation

The sealift continued well into the autumn of 1990. An army of longshoremen continued secretly loading RRF ships at Wilmington and Beaumont. The secret stage of the sealift continued well into September, October, and November of 1990. The concealment was a political decision by the Bush administration. In order to obscure the large scale of the operation until after the November midterm elections, the sealift from Wilmington, Savannah, and Beaumont continued in absolute secrecy.⁸¹⁶

⁸¹⁴ Ibid, 59.

⁸¹⁵ Mercogliano, "Sealift", 395. Beaumont was the primary DoD port on the Gulf of Mexico. Longshoremen from New Orleans and Galveston arrived in early September for this aspect of the Desert Shield sealift.

⁸¹⁶ Ibid, 406.

“Phase II” of the sealift took place after the election. Beginning in mid-November, a second sealift surge started in order to get materials to Saudi Arabia and launch military operations before the Islamic holy month of Ramadan in March. By January 1, the majority of materials had departed Sunny Point, Savannah, and other MTMC/MSC ports in the United States.⁸¹⁷

The enormous scale of the “Phase II” sealift operation required the use of foreign flagged shipping. The long unmanaged decline of American maritime industry meant there were simply not enough U.S. flagged ships for the sealift operation. Of the 459 ship loads of materials landed in Saudi Arabia before the beginning of Operation Desert Storm, foreign flagged ships carried 196.⁸¹⁸ In comparison to other planned or potential operations during the 1980s or early 1990s, the Desert Shield sealift was a relatively small, safe operation. There were no Soviet submarines attempting to sink the sealift ships, nor were there any attacks on port facilities in either the United States or in Saudi Arabia. The 196 voyages or nearly 30 percent of the cargo carried by foreign vessels showed the degree to which U.S. flagged shipping had declined.⁸¹⁹ The emergency call

⁸¹⁷ Ibid, 412. The story of the secrecy of later stages of the operation appears only in Mercogliano’s dissertation. Mercogliano’s probably learned of the secrecy at the docks due to his position as a merchant marine officer during the sealift. Mercogliano’s study also features the lone references to objections by the Merchant Marine officers for the Army’s decision to allow longshoremen to “combat load” vehicles. “Combat loading” meant the vehicles had full fuel tanks and carried their respective ammunition while in the holds of the ships. If the ships were attacked, the safety of the vessel could not be guaranteed because of the amount of hazardous materials stored aboard.

⁸¹⁸ Ibid, 437. The DoD contracted out for foreign flagged ships when sufficient U.S. flagged shipping was unavailable.

⁸¹⁹ Ibid, 437.; *Remarks at Joint Hearing on H.R. 2463, Before the Committee on Merchant Marine and Fisheries*, 100th Congress, 298 (1989) (Statement by Helen Bentley, Member of Congress from 2nd District, Maryland), Helen Delich Bentley Papers, Langsdale Memorial Library, University of Baltimore, Baltimore, MD. DoD contracting of foreign flagged ships before the Gulf War was at a much lower level than during the sealift surge of 1990. While Congresswoman Helen Bentley attacked the Pentagon for repeatedly

up of longshoremen and merchant mariners, however, indicated maritime labor was needed in such an operation.⁸²⁰ In the meantime, airlift ferried soldiers into position in Saudi Arabia, and the Bush administration continued its coalition building. By early January 1991, a confrontation between the marshaling forces of the United States and the Iraqi occupation force in Kuwait was inevitable.

The unexpected rapid collapse of the Iraqi army meant that military operations and logistical support came to a swift halt. Operation Desert Storm began in mid-January 1991 with an aerial bombardment and cruise missile attack on the Iraqi capitol of Baghdad and Republican Guard positions in Kuwait. Shortly after the air war began, the United States-led coalition invaded Kuwait. The much-touted Iraqi army surrendered within four days, and the war ended relatively quickly by early March, 1991.⁸²¹ The stalemate the U.S. had prepared to supply with overwhelming logistical support failed to occur. Ships sailing for the Persian Gulf were turned around, and loading at MTMC/MSC piers ceased.⁸²²

After the war's speedy conclusion, the DoD researched the reasons for victory and how to improve operations for future conflicts. According to naval officer and

“ignoring cargo preference,” the necessity for shipping during Desert Storm/Desert Storm far outstripped normal operations.

⁸²⁰ Benjamin Holland (President, International Longshoreman's Association, Beaumont, TX), Telephone Interview with the author, telephone interview, September 2, 2015.; Mercogliano, “Sealift”, 436, Office of the Director of Central Intelligence, “Soviet Intentions and Capabilities for Interdicting Sea Lines of Communication in a War with NATO”, Central Intelligence Agency, September 1, 1981. https://www.cia.gov/library/readingroom/docs/DOC_0000261312.pdf Accessed on January 3, 2015.

⁸²¹ Philip Shenon, “War in the Gulf: Iraqi Elite Routed, U.S. Soldiers Say”, *The New York Times*, February 28, 1991., Gordon and Trainor, *The General's War*, 431-455.

⁸²² Mercogliano, “Sealift”, 436.

official MSC historian Captain Harold Tiernan, the sealift surge at Wilmington and Savannah successfully interdicted the Iraqi army's movement into Saudi Arabia.⁸²³ Tiernan offered suggestions for future operations, including "increasing the pool of merchant mariners" and "expanding the number RO/RO ships" in the MSC fleet. Finally, Tiernan suggested that the MSC "consider the increased use of container ships, particularly during the deployment phase of an operation." Containerization, not more maritime labor apart from merchant marine officers, was Tiernan's solution.⁸²⁴ None of the suggestions offered by Captain Tiernan acknowledged the role of the longshoremen in the success of the sealift effort.

Reasons for success aside, contemporary political and intellectual voices assumed that the swift victory of the United States was a moment unlike any other in history. The rapid collapse of the Soviet Union and the overwhelming victory of the American-led coalition in Iraq seemly indicated that the United States had no equal. Syndicated columnist Charles Krauthammer indicated that in 1990 and 1991 a new epoch of history began, which he described as the "Unipolar Moment."⁸²⁵ Unipolarity, in global politics, referred to a single powerful state after the "Soviet Union called off the Cold War" according to Krauthammer. No other state had the economic or military power of the United States at this point. Thus, Krauthammer explained that American leaders had to

⁸²³ Menarchik, *Powerlift—Getting to Desert Storm*, 133n.

⁸²⁴ Quoted in Mercogliano, "Sealift", 418. Mercogliano offers Tiernan's complete list of suggestions in his footnotes. Access to this document is severely restricted for scholars without security clearances or access to the Naval History and Heritage Command's library in the Washington Navy Yard.

⁸²⁵ Charles Krauthammer, "The Unipolar Moment", *Foreign Affairs* 70, No. 1, (1990), 23-33.

think of this new order as a “post-Cold War world” with the United States as the lone arbiter and mover of global affairs.⁸²⁶

The term “unipolar” required the final collapse of the Soviet Union. By the fall of 1991, the Soviet state was in a death spiral. Nationalist or independence movements sprung up in constituent republics of the U.S.S.R. Schisms developed within the Soviet political and military elite over Gorbachev’s reform efforts and their failure to cure the economic ills of the Soviet Union.⁸²⁷ The U.S.S.R. granted a modicum of independence to republics as a last effort to maintain the cohesion of Soviet empire. This concept also failed when Russia, Kazakhstan, and Ukraine, among other territories, formed the Commonwealth of Independent States (CIS). The fractures came to a head by late December when Gorbachev resigned as President of the Soviet Union and relinquished power to Russia’s president, Boris Yeltsin. Moreover, the members of the CIS divided the enormous military arsenal amassed by the Soviet Union.⁸²⁸ “Unipolarity” for the United States came to fruition in the last week of 1991.

The rapid and unexpected death of the Soviet Union forced the United States to draw back on now-unneeded defense spending. For nearly five decades, military spending drove most aspects of the American economy. Defense plants spread out across the nation developed previously unindustrialized areas and employed millions in almost every congressional district. Reducing defense spending promised to become a lengthy,

⁸²⁶ Ibid, 24.

⁸²⁷ Francis X. Clines, “End of the Soviet Union; Gorbachev, Last Soviet Leader, Resigns; U.S. Recognizes Republics Independence”, *The New York Times*, December 26, 1991.

⁸²⁸ Ibid.

time-consuming political and economic process with millions of potentially unemployed.⁸²⁹

Voices in and outside of government called for a redistribution or recalibration of defense dollars. Seymour Melman, chair of the National Commission for Economic Conversion and Disarmament, argued for rechanneling federal tax dollars into national infrastructure. The “peace dividend,” as Melman described it, would be a reallocation of funds from the DoD to other federal projects.⁸³⁰ Melman’s recalibration of federal military spending was nothing new, nor was he the only politico with similar ideas. In April 1992, four months after the end of the Soviet Union, Chair of the House Armed Services Committee Les Aspin circulated his proposals for long-term reforms in defense spending.⁸³¹ Aspin’s proposals acknowledged the enormity of recent global events. “We need to make an intensive effort to rethink our country’s traditional security policies in light of the collapse of the Soviet Union.” Aspin concluded that “...residual Soviet conventional forces will be incapable of external aggression for years to come.”⁸³²

Aspin’s proposals called for a rethinking of the U.S. purpose in the world and as well as for sufficient logistical support based on the recent Gulf War sealift. Aspin added that his rethinking of the DoD’s budget and U.S. role in the world “should make us

⁸²⁹ Markusen, *Rise of the Gunbelt*, 232.

⁸³⁰ Seymour Melman, “The Peace Dividend; What to Do With the Cold War Money”, *The New York Times*, December 17, 1989. Melman drew the term “Peace Dividend” from a 1969 report by future New York senator Daniel Patrick Moynihan. Moynihan’s plan in 1969 was to redirect money from a proposed drawdown in the Vietnam conflict into federal road and education projects.

⁸³¹ Les Aspin, “Memorandum”, April 20, 1992. Helen Delich Bentley Papers, Langsdale Memorial Library, University of Baltimore, Baltimore, MD. Aspin’s memorandum was a “Dear Colleague” letter to the 434 other members of the House of Representatives.

⁸³² *Ibid.*

militarily stronger and more secure than simply buying less of the same old Cold War forces—a defense by subtraction.”⁸³³ Rather than calling for cuts, Aspin’s proposal maintained funding levels and merely recalibrated the types of conventional forces and purchases the DoD should make. Aspin described included another Desert Storm sized conflict as well as humanitarian relief missions. In all scenarios, however, Aspin called for “a combination of sealift, airlift and prepositioning sufficient to deliver forces” to potential conflict zones.⁸³⁴ Looking to the Gulf War as a model, Aspin recommended a rethinking of the U.S.’s sealift capacity. Aspin acknowledged that a “relatively small percentage of our forces” took part in combat operations while the operation demanded “very large fractions of the United State[s]’ total capacity in many supporting functions, including sealift.”⁸³⁵ With support operations in mind, Aspin recommended that “we need enough support to provide real combat power that can be brought to bear” in times and locations of conflicts.⁸³⁶ Rather than ignoring the role of sealift in Desert Storm, Aspin argued for logistical support as a key factor in the adjustment of U.S. forces for a post-Cold War environment.

Similarly, the DoD focused on logistical support in the post-Cold War, post-Gulf War environment, but had a different conclusion than that reflected in Aspin’s proposal.

In 1992, Secretary of Defense Dick Cheney directed the DoD to study alternatives for

⁸³³ Ibid.

⁸³⁴ Les Aspin, “An Approach to Sizing American Conventional Forces for the Post-Soviet Era: Four Illustrative Options”, February 25, 1992, 19. Helen Delich Bentley Papers, Langsdale Memorial Library, University of Baltimore, Baltimore, MD.

⁸³⁵ Ibid, 20.

⁸³⁶ Ibid, 21.

logistical support for future conflicts. According to Cheney, “As a result of Desert Storm, one of the conclusions we reached was there was a role here to contract out some of the logistics and support functions. They’d [contractors] have on a stand-by basis materials, equipment, so forth and they’d fly in and arrive at the same time as the troops or shortly thereafter.”⁸³⁷ Cheney commissioned the Logistics Management Institute (LMI) to study subcontracting of sealift and other maritime logistics problems. LMI’s study of sealift focused on the availability of U.S. flagged shipping in future conflicts. According to the authors of the study, “those vessels and services may not be available to DoD in sufficient quantities because of economic and political considerations.”⁸³⁸ The study defined “economic and political considerations” as the rapid decline of U.S. flagged shipping and the increased reliance on foreign flagged vessels during Desert Storm. The authors indicated that the decline of U.S. flagged shipping would probably continue unabated for the foreseeable future.⁸³⁹

Critical of “insufficient containerization at military ports” or “containerization of military equipment,” the authors suggested that the DoD increase the intermodality of its cargo needs. LMI reasoned that “cost considerations” were but one benefit of

⁸³⁷ “Dick Cheney-A Heartbeat Away,” YouTube video, 1:27:00, televised by Wyoming Public Television on November 13, 2015, posted by “Wyoming PBS,” <https://www.youtube.com/watch?v=16NqFviGvvE> Accessed on May 14, 2016. At the 39-41 minute mark, the documentary indicates it was Cheney’s time at the DoD and the commissioning of studies searching for private sector logistics support that led to his installation as CEO of Halliburton. Halliburton acquired Brown and Root, now Kellogg, Brown, and Root, the largest private supplier of the Department of Defense. LOGCAP, the civilian/private sector logistics augmentation program, was established in 1986 by the Reagan administration. In the film, Cheney indicated it was his decision while at DoD to increase contracting for logistics and support needs.

⁸³⁸ Lawrence Schwartz, Alfred H. Beyer, Frederick M. McNamee, Click D. Smith, *Review of DoD’s Strategic Mobility Programs: Commercial Sealift Support*, (Washington, DC: Logistics Management Institute, 1992), 2.

⁸³⁹ *Ibid.*, 6.

containerization. The authors argued that DoD needed to increase port security to prevent “destruction or loss from sabotage, civil disturbance, or theft.” Moreover, the study indicated that threats of “demonstrations, riots, or terrorists” could be bypassed with further containerization.⁸⁴⁰ Old accusations of “theft” of cargos along the waterfront and potential radicalism returned to the conversation regarding reasons for automation. LMI recommended that “USTRANSCOM, in coordination with the MSC and other military departments, should lay out a strategy for expanded use of container ships and container ship liner service during both surge and sustainment phases of national emergencies.”⁸⁴¹ In addition, due to the hastening decline of U.S. flagged shipping, LMI suggested the MSC “develop procedures for incorporating worldwide intermodal transportation services” into their standard procedures.⁸⁴² Selectively drawing conclusions from Desert Storm to support further containerization, LMI concluded that “these recommendations have the potential to substantially upgrade DoD’s logistics abilities.”⁸⁴³ Rather than sustaining the effort that worked in Desert Storm, LMI ultimately concluded that further privatization and containerization was the solution to future DoD missions.

In 1993 recalibration of the DoD as well as military spending continued under the newly inaugurated President Bill Clinton. Citing persistent budgetary inefficiencies and a “system that doesn’t work,” Clinton’s Vice President, Albert Gore, championed a

⁸⁴⁰ Ibid, 9.

⁸⁴¹ Ibid, 34, A-2.

⁸⁴² Ibid, 34.

⁸⁴³ Ibid, 35.

complete reformation of the federal government. Partially inspired by the 1992 publication *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector*, Clinton created the National Performance Review in March 1993. With the goal of “improvement in government operations” as a guiding principle, the NPR under Gore’s leadership produced reports on waste and inefficiency in the federal sector.⁸⁴⁴ The NPR’s membership included “corporate executives, government leaders, and consultants.” The NPR intended to “put customers first, empowering employees to allow them to put customers first, cutting red tape that held back employees, and cutting back to basics.”⁸⁴⁵ In essence, the NPR was another private sector-driven, deregulatory effort similar to the initiatives of the Reagan administration in 1981 and 1982.⁸⁴⁶ The first recommendations Gore made to Clinton led to the “cutting the [federal] work force by 252,000 positions, cutting internal regulations in half, and requiring agencies to set customer service standards.”⁸⁴⁷ In short, shedding workers meant reform. The NPR, renamed the National Partnership for Reinventing Government in 1998, continued its work throughout the eight years of the Clinton administration.

The NPR and its agenda guided Clinton’s administration and included reform of the DoD. Clinton’s first Secretary of Defense Les Aspin built a long list of credentials as a defense reformer. Seeking to implement the reforms he called for during his

⁸⁴⁴ John Kamensky, “A Brief History,” *National Partnership for Reinventing Government*, January 1999. <http://govinfo.library.unt.edu/npr/whoweare/history2.html> Accessed May 14, 2016.

⁸⁴⁵ Ibid.

⁸⁴⁶ See Chapter V of this study for a full discussion of the deregulation agenda of the early Reagan administration.

⁸⁴⁷ Kamensky, “A Brief History.”

congressional career, Aspin targeted unneeded vestiges of the Cold War. Aspin's review of the DoD, released in September 1993, called for a rapid reduction of certain Cold War forces while maintaining the overall security of the United States. Aspin suggested cutting the Navy's 12 carrier battle groups to 10, substantial reductions of troop levels in Europe, and closure of unnecessary DoD bases and sites.⁸⁴⁸

The closure of Cold War era forts, naval bases, and air force bases began before Aspin's tenure and accelerated by the early 1990s. Beginning in 1988 and with subsequent rounds in 1991 and 1993, the Base Realignment and Closure Commission (BRAC) searched for inefficiencies in the DoD's physical plants and infrastructure. The 1988 and 1991 rounds of closures remained relatively small, especially in light of the continuing Cold War threat posed by the Soviet Union. The collapse of the U.S.S.R. in late 1991 created the impetus for a much greater scale of realignment or closures that came in 1993. In April 1993, Secretary Aspin instructed the various armed services to coordinate their proposals to "streamline DoD activities and increase efficiency."⁸⁴⁹ The 1993 round included a proviso from Aspin to assist local communities in repurposing closed bases and softening the economic impact of rapid and devastating job losses. According to Aspin, the DoD in the post-Cold War world required a "fundamental re-examination of our force posture." Aspin also argued that "Cuts by the subtraction method will not supply us with the forces we need for the future."⁸⁵⁰

⁸⁴⁸ "U.S. Forces in the Clinton Era", *The Baltimore Sun*, September 2, 1993.

⁸⁴⁹ David R. Warren, Barry W. Holman, Kay D. Kuhlman, Marian H. Harvey, *Military Bases: Lessons Learned from Prior Base Closure Rounds* (Washington, DC: Government Accounting Office, 1998), 43.

⁸⁵⁰ Les Aspin, "An Approach to Sizing American Conventional Forces for the Post-Soviet Era: Four Illustrative Options", February 25, 1992, 19. Helen Delich Bentley Papers, Langsdale Memorial Library,

Aspin's plan for a capable DoD attuned to the new environment and past lessons included an expansion of sealift capability. In September 1993, the DoD awarded a construction contract for 20 new sealift ships to Avondale Shipyard in New Orleans. According to Aspin, the construction program would "preserve the U.S. industrial base in key defense sectors."⁸⁵¹ Additionally, Aspin's plan would overcome the lack of surge shipping during the Gulf War. The contract with Avondale eventually funded seven *Bob Hope*-class RO/ROs as an attempt to avoid the problems encountered in 1990. Eventually, Aspin initiated the construction of fifteen more MSC RO/ROs or mixed use cargo ships.⁸⁵² The plan was not without its critics. Senator John Breaux of Louisiana opposed the contracts for new sealift ships and questioned why the DoD should now support "roll-on/roll-off vessels...more than commercial containerships." Moreover, Breaux demanded that the DoD look into subsidizing U.S. flagged shipping more than building new sealift ships.⁸⁵³

Aspin's plan to reshape DoD policy was short lived. Aspin's management style and his decisions at the DoD found few allies at the Pentagon and fewer in Congress. In addition, the ongoing humanitarian operation in Somalia took a turn for the worse. The United Nations relief mission turned into a full scale military operation led by the United States. Insufficient military equipment and a denial of air support from the DoD shortly

University of Baltimore, Baltimore, MD. Aspin's "Dear Colleague" members of Congress included his unpublished memorandum on defense reform.

⁸⁵¹ Tim Shorrock, "Pentagon Picks Avondale to Build Sealift Ship", *Journal of Commerce*, (New York), September 6, 1993.

⁸⁵² Ibid.

⁸⁵³ Ibid.

before the deaths of 18 American soldiers turned the media and political establishment against Aspin. He submitted his resignation to the President shortly thereafter.⁸⁵⁴

Aspin's legacy of preserving sealift capabilities, however, lingered until March 1994. Secretary of Transportation Federico Pena and Maritime Administrator Albert Herberger announced a ten year, \$1 billion subsidy program aimed at forestalling the inevitable death of U.S. flagged shipping. Lane Kirkland, the President of the AFL-CIO and a career merchant mariner warned, "America is perilously close to losing its domestic flag fleet." In 1984, the U.S. flagged fleet numbered 373 ships. In spite of insufficient capacity during the Gulf War and the shortfalls in shipping as a warning, only 264 U.S. flagged ships remained by 1994.⁸⁵⁵ Herberger, the former deputy commander of USTRANCOM, hoped the new "Maritime Security" program would "provide cost-effective supplemental sealift and other transportation resources when needed to support the nation's armed services."⁸⁵⁶

Opposition to the plan came from members of congress ordinarily predisposed to maritime subsidies. Rep. Helen Bentley applauded the Clinton administration's plan, but opposed the subsidy because it would "increase the tonnage tax that shipping companies pay the federal government."⁸⁵⁷ Bentley's concern for her home district in Maryland

⁸⁵⁴ "Leslie Aspin", Historical Office, Office of the Secretary of Defense.
<http://history.defense.gov/Multimedia/Biographies/ArticleView/tabid/8347/Article/571283/leslie-aspin.aspx> Accessed May 15, 2016.

⁸⁵⁵ Martin Tolchin, "Clinton Offers Plan on Merchant Ships," *The New York Times*, March 11, 1994.

⁸⁵⁶ Dan Phillips, "10-Year, \$1 Billion Plan Offered by Pena to Save U.S. Merchant Fleet," *The Washington Post*, March 11, 1994.

⁸⁵⁷ Suzanne Wooton, "Clinton Proposes \$1 billion plan to help U.S. fleet," *The Baltimore Sun*, March 11, 1994.

motivated her opposition. “Already, Baltimore and other ports have called to complain that they would lose cargo to Canada.”⁸⁵⁸ In spite of trade advantages for international ports, the Act eventually passed years later after promises from Bentley for “quick congressional action.” Targeted subsidies for sealift purposes seemingly disregarded the deregulatory agenda of the NPR and other Clinton era initiatives. Political confusion over supporting the bill added to the intrigue related to maritime subsidies. Bentley and Republican colleagues, who ordinarily supported defense bills, opposed the subsidy. Senate Merchant Marine Subcommittee chair John Breaux, who opposed the sealift expansion program a year earlier, cheered the Clinton administration’s plan as the “first comprehensive maritime reform proposal since the days of Franklin Roosevelt.”⁸⁵⁹

Concerns regarding international competition and domestic political alignment confusion characterized the trade legislative initiative of the Clinton administration. The private sector approach of previous Republican administrations returned during the Clinton administration with the deregulatory aspects of the NPR. Similarly, trade liberalization concepts from the Reagan and Bush administrations were revived during the Clinton years. First introduced and signed by President Bush, ratification of the North American Free Trade Agreement (NAFTA) became a cornerstone of the Clinton administration’s economic policy.⁸⁶⁰ Business interests attacked trade barriers as expensive regulatory obstacles. The precedent set by the tariff free zone and economic

⁸⁵⁸ Ibid.

⁸⁵⁹ Martin Tolchin, “Clinton Offers Plan on Merchant Ships,” *The New York Times*, March 11, 1994.

⁸⁶⁰ “Stop Nibbling at NAFTA,” *The New York Times*, August 17, 1993.

successes of the European Community (EC) prompted policy makers in the three NAFTA signatory countries of Canada, Mexico, and the United States mimicked the EC's model. NAFTA proposed enormous trade liberalization policies designed to promote economic growth in the member states.⁸⁶¹

By the fall of 1993, congressional ratification of the agreement became a battle of the Administration and business interests against unions and their congressional allies. American corporations looking for access to lower wages and fewer environmental regulations in Mexico supported ratification. Meanwhile, unions fearing massive job losses opposed the measure. The non-partisan Congressional Budget Office estimated that more than 20,000,000 jobs would be displaced by ratification of agreement.⁸⁶² The battle in the American press over corporate deregulation and against staggering job losses became a political firestorm. Democratic members of Congress, ordinarily supporters of the President, allied with public figures, such as former presidential candidate Ross Perot, civil rights leader Jesse Jackson, and consumer advocate Ralph Nader, against NAFTA. Moreover, the AFL-CIO opposed NAFTA with a well-funded media campaign against the agreement's ratification.⁸⁶³ The Clinton administration turned required congressional approval of NAFTA into a national referendum on free trade. Vice President Al Gore took to the nation's television airwaves to sell the positives of free trade to the overall economy. In a highly-touted debate on CNN's "Larry King Live", Gore and Ross Perot

⁸⁶¹ Ibid.

⁸⁶² Ibid.

⁸⁶³ Ibid.; William Safire, "Laughter After NAFTA", *The New York Times*, October 21, 1993.; Joshua Mills, "Business Lobbying For Trade Pact Appears to Sway Few in Congress", *The New York Times*, November 12, 1993.

battled over ratification. Illustrating the political confusion over free trade, Gore enumerated a litany of supporters of NAFTA, including “distinguished Americans from [General] Colin Powell to [former Speaker of the House] Tip O’Neill to [Clinton opponent and conservative talk show host] Rush Limbaugh.”⁸⁶⁴

The improbable alliance, forged by the Clinton administration to shepherd NAFTA through Congress, provided a template for larger free trade deals. With a majority of the Senate supporting the agreement, the House vote would determine the fate of NAFTA. Described by the *New York Times* as an “odd coalition,” 132 Republican votes and 102 Democratic votes passed the NAFTA bill.⁸⁶⁵ The *Times* lauded the “huge political victory” of Clinton’s coalition of free traders and conservative politicians. Moreover, the win “empowered Mr. Clinton to complete the more important Uruguay round of international trade talks.”⁸⁶⁶

The Uruguay round of talks referred to the Global Agreement on Tariffs and Trade (GATT) summit of 1994. GATT, first established by the Bretton Woods Conference of 1945, promoted new trade rules aimed at removing trade barriers and inefficient regulations.⁸⁶⁷ GATT, however, lacked a governing body to codify the free trade system developed since the end of World War II. The Uruguay round of GATT

⁸⁶⁴ “The Free Trade Accord; Excerpts from the Free Trade Debate Between Gore and Perot”, *The New York Times*, November 10, 1993.; “The NAFTA Debate That Wasn’t”, *The New York Times*, November 11, 1993. The *Times* cited a poll taken after the debate in the November 11th article showing that Gore won handily and swayed a majority of viewers to support the agreement.

⁸⁶⁵ “After the NAFTA Victory”, *The New York Times*, November 19th, 1993.

⁸⁶⁶ Ibid.

⁸⁶⁷ Roger Cohen, “The World Trade Agreement: The Overview; GATT Talks End in Joy And Relief”, *The New York Times*, December 17, 1993.

talks in 1993 and 1994 intended to build an international regime by which the global trade system would operate. President Clinton, emboldened by his NAFTA victory, pledged to shepherd the American consumer economy, far and away the world's largest, into the proposed framework of a global trade body. According to Clinton's trade representative Mickey Kantor, "The President understands there is a seamless web between domestic and foreign economic issues. [Clinton] understands this and therefore put trade and international economics to the fore, as a means to reinforce our national security."⁸⁶⁸ The new body, known as the World Trade Organization (WTO), existed to "police and facilitate" the lowering of global trade barriers and protectionist regulations and laws.⁸⁶⁹ Ratification of American membership in the WTO passed Congress with a free trade Democratic and Republican coalition similar to the NAFTA bill.⁸⁷⁰ The full membership of the United States in the WTO provided the economic and policy legitimacy of the trade deregulation movement initiated nearly fifty years earlier.

With the legal instruments of the WTO facilitating free trade by the mid-1990s, the cargo container became the physical manifestation of a globalized economy. Containerization, from its introduction in 1958 through the 1990s, lowered labor and transportation costs and facilitated more trade by making shipment cheaper and ultimately more profitable. *Journal of Commerce* maritime reporter and historian Marc

⁸⁶⁸ Roger Cohen, "The World Trade Agreement: The Turning Point; A Call from Clinton, and Then a Deal", *The New York Times*, December 16th, 1993.

⁸⁶⁹ Roger Cohen, "The World Trade Agreement: The Overview; GATT Talks End in Joy And Relief", *The New York Times*, December 17, 1993.

⁸⁷⁰ David E. Sanger, "The Lame-Duck Congress: The Vote; House approves Trade Agreement By A Wide Margin", *The New York Times*, November 30, 1994.

Levinson argued that the “box” made the “the world smaller and the world economy bigger.”⁸⁷¹ By 1995, nearly every apparatus of the U.S. government embraced the cargo container and its effect on the transportation economy.

The DoD’s cargo strategies similarly followed the lead of the increasing levels of globalization and automation. In the post-Cold War drawdown of the DoD’s budget and physical facilities following BRAC closures, much of its property was repurposed for the “new economy.” After the 1995 BRAC round, no former DoD facility embodied the transformation of the economy more than the former site of the Long Beach Naval Shipyard on Terminal Island in California. Neighboring the largest cargo container port in the North America at the Port of Long Beach, Terminal Island would double the capacity of its predecessor. Hoping to lure large scale international shipping firms to the former site of the naval shipyard, the Port of Los Angeles secured a pledge from the China Ocean Shipping Company (COSCO) to lease the new site. COSCO, under the influence of the government of the People’s Republic of China (PRC), faced criticism for transporting automatic weapons used by criminals in Los Angeles the previous year. California’s congressional delegation repeatedly demanded investigations from the Department of Defense and the Clinton administration into COSCO’s relationship with the military of the PRC.⁸⁷² Even as the FBI warned of COSCO’s behavior and connections, unnamed federal officials responded to calls for investigations with

⁸⁷¹ Marc Levinson, *The Box: How the Shipping Container Made the World Smaller and the World Economy Bigger*, (Princeton, NJ: Princeton University Press, 2006), 1-6.

⁸⁷² David E. Sanger, “Senators Ask for Inquiry on Leasing of California Base to Chinese”, *The New York Times*, March 13, 1997.

silence.⁸⁷³ The naval shipyard site ultimately did not become a container terminal leased by COSCO. The Korean company Hanjin Shipping took up the lease and opened a container terminal.⁸⁷⁴ Beyond Long Beach, waterfront BRAC sites became cargo container terminals or storage facilities for empty containers. Fleet Industrial Supply Center Oakland, California, Naval Station Mobile, Alabama, and several other facilities became container terminals.⁸⁷⁵ Occupying the post-Cold War, deindustrialized fate of the National Security Waterfront was the new global indicator of economic growth, the cargo container.

The twilight years of the Cold War facilitated a transition from an older, state-centric economic and military order to a new global economy. The collapse of the Soviet economy combined with political uproars against abuses in defense contracting informed reform efforts in the mid-1980s. Deregulation coupled with contracting reform, deeper commitments to automation technologies, and reorganization of the DoD became the reform solution offered by the Packard Commission.⁸⁷⁶ The Packard Commission and legislation afterward reorganized the DoD, but still failed to address deficiencies in maritime logistics. Compounding the “benign neglect” of U.S. flagged shipping and maritime laborers, various DoD studies and procurements continued the commitment to

⁸⁷³ Ibid.

⁸⁷⁴ Dean E. Murphy, “More Closings Ahead, Old Bases Still Wait for Hopes to Be Filled”, *The New York Times*, May 15, 2005.

⁸⁷⁵ Ibid.; Lee Davidson, “Tenants of Former Home Port Weigh in on ExxonMobil Interest”, *The Mobile Press-Register* (Mobile, AL), January 28, 2013.

⁸⁷⁶ Packard, “Introduction”, 3.

containerization of military equipment.⁸⁷⁷ The results of insufficient maritime labor and an over-emphasis on containerization came to a head for the sealift surge for Operation Desert Shield. In spite of the staggering effort of longshoremen and merchant mariners, the DoD redoubled its efforts to emphasize containerization. Finally, the end of the Cold War reduced available defense dollars. In turn, containerization coupled with a rapid liberalization of trade after ratification of the NAFTA and WTO agreements completed the globalization of military logistics.⁸⁷⁸ The micro-victories and macro-losses for maritime labor beginning with the invention of the cargo container culminated in the 1990s. Containerization did not completely destroy maritime labor. Rather, automation technologies inspired legislation that finished the job.

⁸⁷⁷ Lawrence Schwartz, Alfred H. Beyer, Frederick M. McNamee, Click D. Smith, *Review of DoD's Strategic Mobility Programs: Commercial Sealift Support*, (Washington, DC: Logistics Management Institute, 1992), 2.

⁸⁷⁸ David E. Sanger, "The Lame-Duck Congress: The Vote; House approves Trade Agreement By A Wide Margin", *The New York Times*, November 30, 1994.

CHAPTER VII

“GET USED TO IT”: THE AUTOMATION AND GLOBALIZATION OF THE NATIONAL SECURITY WATERFRONT, 2005-2016.

Conclusion

In February 2016, Vice President Joseph Biden toured the container terminal at the Port of New Orleans. Biden lauded the port’s container handling ability as a measure of economic success in a city still recovering from the disaster of Hurricane Katrina eleven years earlier. Containers filled with “hundreds of flat screen TVs” and other imports measured economic growth. According to Biden, “every time the port increases the capacity to add another 1,000 containers, it adds 11 jobs.” Pointing to container cranes, Biden stated, “This is a money maker, a job maker, a community maker.”⁸⁷⁹ The reality of what containerization wrought was obvious far earlier than the arrival of Hurricane Katrina.

Katrina’s inundation of areas already economically depressed in New Orleans complicated rescues and the recovery after the storm passed. In August, 2005, the storm swamped the low-lying, impoverished portions of the city and turned hundreds of thousands of residents into refugees. Thousands huddled starving and dehydrated in ill-equipped shelters. Hundreds drowned in their own homes. Images of dead storm

⁸⁷⁹ “Vice President Joe Biden Visits the Port of New Orleans”, *New Orleans Times-Picayune*, February 16, 2016. http://videos.nola.com/times-picayune/2016/02/vice_president_joe_biden_visit_4.html

victims, too poor or unprepared for the storm to get out, flashed across television screens globally. A lethargic federal response led reporters covering the storm to describe it as a “natural disaster, followed by a human disaster.”⁸⁸⁰ The mayor of New Orleans, Ray Nagin, gave a widely broadcast interview at the height of the crisis criticizing the federal response. Nagin argued that federal inaction needed to end and that the government needed “get off their asses and do something.”⁸⁸¹ The exception to the post-disaster dithering, according to Nagin, was “this John Wayne dude, General Honoré.”⁸⁸²

Lieutenant General Russel Honoré commanded the joint military relief mission in New Orleans. Lauded for his adept handling of the crisis, Honoré was described by the New Orleans *Times-Picayune* as a “cigar chomping guardian angel in camouflage.” According to the *Times-Picayune*, he was a candidate for *Time* Magazine’s “Person of the Year.”⁸⁸³

Honoré knew the city well. Family connections had brought him “to [New Orleans] all the time as a kid. The 7th ward or the 9th ward.” The 7th and 9th wards were among the most devastated areas of the city and had the highest death tolls.⁸⁸⁴ Asked

⁸⁸⁰ Alan Newhauser, “Shepard Smith Opens Up On Katrina, Blasts Ray Nagin,” *U.S. News and World Report*, August 20, 2015.

⁸⁸¹ “Nagin to Feds: ‘Get Off Your Asses’”, *CNN*, September 2, 2005.
<http://www.cnn.com/2005/US/09/02/nagin.transcript/> Accessed May 15, 2016.

⁸⁸² Ibid.

⁸⁸³ Jeff Duncan, “Three Star Celebrity”, *New Orleans Times-Picayune*, September 19, 2005. Instead of Honoré, the persons of the year were philanthropist billionaires Bill and Melinda Gates and pop star Bono.

⁸⁸⁴ Russel Honoré, (Lieutenant General [retired], United States Army), Interview with the author, November 15, 2015.; Jeff Duncan, “Three Star Celebrity”, *New Orleans Times-Picayune*, September 19, 2005. According to that day’s edition of the *Times-Picayune*, 21 days after Katrina’s landfall, some 490 drowned or starved bodies at the Orleans Parish morgue came from the 7th and 9th wards. In between the 1970s and 2005, Honoré rose through the Army’s ranks with CONUS and overseas assignments including command of the 2nd Infantry Division in South Korea.

years later, “why were they [the people of the 7th and 9th ward] so poor?” Honoré answered “Automation.”⁸⁸⁵ The general said,

Most of them were union workers, they had benefits. In the 1960s and 1970s when I went, it was a middle class neighborhood. I had family members that were longshoremen, they bought a new car once every three or four years. They were union workers that had benefits, all their kids went to good schools. The other part of that community built ships. The two events happened at the same time. Heavy lift cargo cranes and the construction of ships in Korea. It killed building all the barges and ships in New Orleans and moving cargo. All those jobs went away, they were well paying. By the time Katrina came, they had none of them. What you had left was a shadow of a community where every fourth house was leaning over and ready to fall. The people who were left behind were a vulnerable population; older, disabled, poor. In some cases, all three. When the floodwaters hit it, it didn’t recover and there are no jobs there. No doctors. No grocery stores. No good schools. A blighted area.⁸⁸⁶

Katrina’s victims were but a few to suffer through deindustrialization brought about by the cargo container and globalized economics. Port cities, such as Philadelphia, Baltimore, and Houston, all experienced urban decay following mass job losses during

⁸⁸⁵ Russel Honoré, Interview with the author, November 15, 2015.

⁸⁸⁶ Ibid, October 13, 2015.

the last quarter of the twentieth century.⁸⁸⁷ Closed shipyards, steel mills, and automated piers left millions unemployed and inadequate tax bases or social services to care for abandoned populations. Historian Thomas Sugure described “postindustrial waterfront” areas designed to lure tourists as a “showy redevelopment,” a facade to cover the economic and social problems caused by deindustrialization.⁸⁸⁸ That is not to say that there were no industrial jobs remaining in port areas or the maritime industry. Consolidated remnants of the maritime industry still existed in concentrated areas, such as military-industrial areas of Hampton Roads, Virginia, and the oil-centric coast of the Gulf of Mexico.⁸⁸⁹ The reality, however, was that almost every maritime city in the United States had vast stretches of real estate similar to the 9th ward and no hope of any rescue from the rising tide of poverty.

The decision by the Department of Defense (DoD) to containerize and automate contributed to the first stages of maritime labor’s automated decimation. The invention of the cargo container in 1958 came shortly before Robert McNamara’s revolutionary changes at the DoD. McNamara instilled an organizational culture favoring private sector budgeting and quantitative measures for procurement. No longer were DoD planners and budgeting officials about “more bang for the buck” for countering the

⁸⁸⁷ Thomas Sugure, *The Origins of the Urban Crisis: Race and Inequality in Postwar Detroit*, (Princeton, NJ: Princeton University Press, 2005), xliv.

⁸⁸⁸ Ibid, xliv. Sugure warns against “too much optimism” regarding urban renewal campaigns. What little jobs do come back to cities are usually feature much lower wages in the service industry. Sugure’s examples of postindustrial waterfronts include Philadelphia, Cleveland, Baltimore, and Brooklyn, New York.

⁸⁸⁹ Andrew Gibson and Arthur Donovan, *The Abandoned Ocean: A History of American Maritime Policy*, (Columbia, SC: University of South Carolina Press, 2001), 297-302.; Ann Markusen, et.al. *The Rise of the Gunbelt: The Military Remapping of America*, (New York: Oxford University Press, 1991), 212.

Soviet Union as they were in the nuclear weapons-centric era during the Eisenhower administration.⁸⁹⁰ The McNamara DoD focused on statistical modeling drawn from manufacturing to justify purchasing weapons systems. The organizational process introduced by McNamara and his team of statisticians and economists fundamentally altered procurement at the DoD.⁸⁹¹ By the mid-1960s and with hundreds of billions of dollars at its disposal, the DoD became a prime economic trendsetter in the American economy. Following the example of commercial shipping and seeking efficient, cost-effective means for logistics, McNamara and his staff introduced containerization to military logistics. With the DoD demanding containerized shipping from an increasingly automated maritime industry, military procurement only accelerated the process of containerization.⁸⁹²

Shortly thereafter in the late 1960s and 1970s, the DoD's second stage of embracing containerization combined with trends in privatization and deregulation as a solution to labor problems. The Nixon, Ford, and Carter administrations continued and enhanced the DoD's dependence on containers. From 1969 onward, Deputy Secretary of

⁸⁹⁰ William M. McClenahan and William H. Becker, *Eisenhower and the Cold War Economy*, (Baltimore, MD: Johns Hopkins University Press, 2011), 81-85. Joseph Wilson, the originator of the idiom "more bang for the buck," was Eisenhower's Secretary of Defense in mid 1950s.

⁸⁹¹ Graham Allison and Philip Zelikow, *Essence of Decision: Explaining the Cuban Missile Crisis*, (New York: Longman, 1999), 143. Allison wrote the original text. Zelikow expanded and edited the text in the late 1990s. Allison's models and paradigms in his text include the "Organizational Process Model", the "Rational Actor Model", and the "Government Politics Model." This study used the Organizational Process model as an expositional tool for evaluating federal and military maritime policy during the 1960s and 1970s. In short, the Organizational Process model explains that agencies behave based on the backgrounds of the personnel staffing position of power. In the case of the DoD under McNamara and beyond, planners and decision makers came from the private sector.

⁸⁹² Phil Rosenzweig, "Robert S. McNamara and the Evolution of Modern Management," *Harvard Business Review*, December 2010. <https://hbr.org/2010/12/robert-s-mcnamara-and-the-evolution-of-modern-management> Accessed 8/1/2015.

Defense David Packard and his successors implemented accounting regimens and purchasing policies drawn directly from the private sector. Post-Vietnam era defense spending cuts accelerated the amenability of political appointees and military officers to automation of logistics.⁸⁹³ The 1970s also witnessed a steep decline in the maritime labor caused by containerization as well as deregulation. Taking cues from conservative economists and increasing popular support for deregulation, transportation firms lobbied for removal of federal commercial regulations. Political candidates such as Ronald Reagan and Edward Kennedy embraced the goals of the deregulation movement to address the U.S. flagged shipping industry's decline during energy and economic crises of the late 1970s.⁸⁹⁴

Seeking to reform maritime policy and greatly expand defense spending, Ronald Reagan coupled deregulation with a restoration of military and commercial maritime primacy.⁸⁹⁵ Reagan's administration restored U.S. maritime defense supremacy with the "600 ship" navy plan and a renewal of Cold War buildups in other military sectors.

⁸⁹³ Transcript, Melvin Laird (Secretary of Defense, 1969-1973), Oral History Interview, September 2, 1986, interviewed by Albert Goldberg, Historical Office, Office of the Secretary of Defense, 18. http://history.defense.gov/Portals/70/Documents/oral_history/OH_Trans_Laird%208-18-1986.pdf.; Richard A. Hunt, *Melvin Laird and the Foundation of the Post-Vietnam Military, 1969-1973*. (Washington, DC: Historical Office, Office of the Secretary of Defense, 2015), 16, 524.; Richard Nixon: "Letter Accepting the Resignation of David Packard as Deputy Secretary of Defense," December 11, 1971. Online by Gerhard Peters and John T. Woolley, *The American Presidency Project*. <http://www.presidency.ucsb.edu/ws/?pid=3257>.; Transcript, David Packard, November 9, 1987, interviewed by Albert Goldberg and Maurice Matloff, Historical Office, Office of the Secretary of Defense, 23. http://history.defense.gov/Portals/70/Documents/oral_history/OH_Trans_PackardDavid%2011-9-1987.pdf.

⁸⁹⁴ Shane Hamilton, *Trucking Country: The Road to America's Walmart Economy* (Princeton, NJ: Princeton University Press, 2008), 2.

⁸⁹⁵ Transcript, David Packard, November 9, 1987 interviewed by Albert Goldberg and Maurice Matloff, Historical Office, Office of the Secretary of Defense, 27. http://history.defense.gov/Portals/70/Documents/oral_history/OH_Trans_PackardDavid%2011-9-1987.pdf.

Rapid expansion of defense budgets aimed at deterring the Soviet Union, however, failed to include enough funds for preservation of the maritime labor base.⁸⁹⁶ Promised reforms of the maritime industry instead deregulated or privatized federal responsibilities. Maritime labor suffered under the weight of sweeping federal prosecutions for mafia influence and racketeering. In spite of repeated episodes of military contractor abuses, only labor unions suffered under the weight of Department of Justice pursuit.⁸⁹⁷ Defense contractor abuses and inefficiencies in the budgeting process led to another call for reforms by the mid 1980s. Led by David Packard, the reform movement at the DoD in the mid and late 1980s resulted in further deregulation and privatization.⁸⁹⁸

By the late 1980s and early 1990s, the final stage of military containerization fit neatly within the legislative and defense agendas of the era. The DoD repeatedly attempted to circumvent Jones Act requirements of carrying cargo on U.S. flagged shipping. Furthermore, the DoD explored contracting of defense logistics to private corporations during the term of Secretary of Defense Dick Cheney.⁸⁹⁹ The deeply

⁸⁹⁶ Thomas A. Schaff, "Six Years of Maritime Decline", *Journal of Commerce* (New York), April 8, 1987.; Thomas Gale Moore, "Deregulation and Re-Regulation of Transportation", *The Cato Institute*, July 8, 1982. <http://www.cato.org/pubs/pas/pa012.html>

⁸⁹⁷ James Jacobs, *Mobsters, Unions, and Feds: The Mafia and the American Labor Movement*, (New York: New York University Press, 2006), 323.

⁸⁹⁸ Dina Rasor and Donna Martin, "Campaign '84", *Project on Military Procurement*, August 1984. <http://www.pogo.org/our-work/reports/90s/defense-procurement-information-papers.html> Accessed on January 9, 2016.; Bill Keller, "A Familiar Face, a Familiar Problem", *The New York Times*, June 20, 1985. <http://www.nytimes.com/1985/06/20/us/a-familiar-face-a-familiar-problem.html> Accessed March 22, 2016.; Transcript, David Packard, November 9, 1987 interviewed by Albert Goldberg and Maurice Matloff, Historical Office, Office of the Secretary of Defense, 22. http://history.defense.gov/Portals/70/Documents/oral_history/OH_Trans_PackardDavid%2011-9-1987.pdf.

⁸⁹⁹ "Logistics Civil Augmentation Program", *Army Regulation 700-137*, (Washington, DC: Department of the Army, 1985), 1-5. <http://www.aschq.army.mil/gc/files/AR700-137.pdf> Accessed on March 1, 2016.; "Dick Cheney-A Heartbeat Away," YouTube video, 1:27:00, televised by Wyoming Public Television on

ingrained privatization impulse at the DoD accelerated the use of private sector logistics methods. DoD exercises preparing for a late Cold War conflict with the Soviet Union, such as the *Reforger* operations, featured heavy reliance on containerization.⁹⁰⁰

Resultantly, the ordinal steps, which set the DoD down the path of automation in the late 1950s and early 1960s, resulted in the Gulf War sealift debacle of 1990. Insufficient numbers of longshoremen, a lack of U.S. flagged shipping, and an overemphasis on contingency planning with containerization caught the DoD unprepared.⁹⁰¹

In spite of the overwhelming support provided by longshoremen in the summer and autumn of 1990, the DoD failed to learn from this example. Defense planners and military officers maintained that further containerization could handle DoD logistics concerns.⁹⁰² The “Unipolar Moment” of American victory in the Cold War seemly confirmed that a liberal, capitalist, and global free trade zone was the way of the future. Legislation during the Bush and Clinton administrations facilitated a deeper commitment

November 13, 2015, posted by “Wyoming PBS,” <https://www.youtube.com/watch?v=16NqFviGvvE>
Accessed on May 14, 2016.

⁹⁰⁰ Lt. Col. Martyn Morford and Captain Greg Jones, “Sustaining A Cold War Army”, *Millrinder*, No. 2, 2011, 21-22.; Simon Duke, *United States Military Forces and Installations in Europe*, (New York: Oxford University Press, 1989), 24.; James K. Matthews and Cora Holt, *So Many, So Much, So Far, So Fast: United States Transportation Command and Strategic Deployment for Operation Desert Shield/Desert Storm*, (Washington, DC: Joint History Office, Office of the Chairman of the Joint Chiefs and Research Center, United States Transportation Command, 1992), 1-11.

⁹⁰¹ Benjamin Holland, (President, International Longshoreman’s Association, Beaumont, TX), Telephone Interview with the author, February 6, 2015.; Phillip Shenon, “Confrontation in the Gulf; U.S. Logistical Effort Nears Peak in the Gulf”, *The New York Times*, January 9, 1991.; Douglas Menarchik, *Powerlift—Getting to Desert Storm: Strategic Transportation and Strategy in the New World Order*, (Westport, CT: Greenwood Press, 1993), 51.

⁹⁰² Lawrence Schwartz, Alfred H. Beyer, Frederick M. McNamee, Click D. Smith, *Review of DoD’s Strategic Mobility Programs: Commercial Sealift Support*, (Washington, DC: Logistics Management Institute, 1992), 2.

to globalized trade and business networks. Free trade, automation technologies, and rapid, efficient movement of consumer goods is credited by economists for GDP growth since the 1990s.⁹⁰³ The cargo container coupled with free trade agreements, such as the North American Free Trade Agreement (NAFTA) and the World Trade Organization (WTO), accelerated that growth. Lower tariff barriers led to rapid GDP growth and larger profits for shipping and manufacturing corporations following the invention of the “box” and U.S. ratification of NAFTA and the WTO. Automation and globalization led to at least 10 million industrial job losses in the United States between 1994 and 2016.⁹⁰⁴ The damage wrought by globalization and automation ironically accelerated the DoD’s integration of its logistics into globalized business networks and containerization.

GDP growth from free trade and technological innovations, however, failed to measure unemployment or underemployment in the first decade of the 2000s. When the NAFTA authorization bill passed in late 1993, the Clinton administration promised “education and programs” as a means of retraining displaced or unemployed workers.⁹⁰⁵ As it turned out in the twenty years since codified liberalized trade and containerization,

⁹⁰³ Charles Krauthammer, “The Unipolar Moment”, *Foreign Affairs* 70, No. 1, (1990), 23-33.; Marc Levinson, *The Box: How the Shipping Container Made the World Smaller and the World Economy Bigger*, (Princeton, NJ: Princeton University Press, 2006.), 1-6.

⁹⁰⁴ Michael Hicks, “The Great Midwest Jobs Loss Lie of 2016”, *The Detroit News*, May 16, 2016. Michael Hicks is the George and Frances Ball distinguished professor of economics at Ball State University.

⁹⁰⁵ ⁹⁰⁵ Roger Cohen, “The World Trade Agreement: The Turning Point; A Call from Clinton, and Then a Deal”, *The New York Times*, December 16th, 1993.

⁹⁰⁵ Roger Cohen, “The World Trade Agreement: The Overview; GATT Talks End in Joy And Relief”, *The New York Times*, December 17, 1993.; David E. Sanger, “The Lame-Duck Congress: The Vote; House approves Trade Agreement By A Wide Margin”, *The New York Times*, November 30, 1994.; Marc Levinson, *The Box: How the Shipping Container Made the World Smaller and the World Economy Bigger*, (Princeton, NJ: Princeton University Press, 2006.), 1-6.

retraining had little effect on levels of unemployment or underemployment. By 2012, underemployment, or, occupation of a job beneath one's qualifications or part time work for college graduates peaked at 46 percent. The average since 1990 has been 33 percent annually.⁹⁰⁶ For the plurality of the population, full employment or working in the trade for which they were trained was long gone. The long decline for longshoremen and other maritime laborers was a bellwether for the rest of the deindustrialized American economy.

What little remains of the post-automation and post-trade liberalization domestic maritime industry continues to undergo legislative and administrative assault. The explosion aboard British Petroleum's *Deepwater Horizon* provided an illustrative point. The Marshall Islands-flagged rig ship exploded in early 2010, spilling nearly 5 million barrels of oil into the Gulf of Mexico.⁹⁰⁷ Since the spill occurred in U.S. waters, the Jones Act governed the methods of federal response. Conflicting media reports indicated that the Coast Guard and other responding federal agencies failed to find sufficient U.S. flagged ships capable of assisting the cleanup effort.⁹⁰⁸ Using the disaster as an opportunity to reduce complicating regulations, Senator John McCain suggested that the United States do away with the Jones Act.⁹⁰⁹ According to McCain, "the best course of

⁹⁰⁶ Kathrine Newman and Hella Winston, *Reskilling America: Learning to Labor in the 21st Century*, (New York: Metropolitan Books, 2015), 223n.

⁹⁰⁷ "Investigating the Causes of the *Deepwater Horizon* Blowout", *The New York Times*, June 20, 2010.

⁹⁰⁸ Patrik Johnson, "Jones Act: Maritime Politics Strain Gulf Oil Spill Cleanup", *The Christian Science Monitor*, June 21, 2010. As it turns out, an Executive Review of the federal effort completed by response commander Admiral Thad Allen indicated that the story of "insufficient shipping" was a myth. For more, see "On Scene Coordinator Report *Deepwater Horizon* Oil Spill." U.S. Coast Guard, November, 2010. http://www.uscg.mil/foia/docs/dwh/fosc_dwh_report.pdf Accessed May 21, 2016.

⁹⁰⁹ William Douglas, "GOP False Talking Point: Jones Act Blocks Gulf Help", *McClatchy Newspapers* (Washington, DC), June 30, 2010.

action is to permanently repeal the Jones Act in order to boost the economy, saving consumers hundreds of millions of dollars.”⁹¹⁰ McCain’s deregulatory appeal in 2010 failed to sway enough members of Congress or the general public to the latest assault on U.S. flagged shipping. The repeal of the Jones Act failed in both the House and Senate, but deregulation and privatization remained an alluring legislative cure for the maritime industry’s woes.⁹¹¹

Similarly, recent developments in DoD plans for the future illustrate a deeper commitment to automation and privatization. Economist Michael Hicks argued, however, that it wasn’t factory workers in “Juarez or Beijing” who benefitted from globalization but “the folks with master’s degrees in robotics in Palo Alto.”⁹¹² The sixty year tradition of the DoD looking to the private sector continued well beyond embracing containerization and automation for maritime logistics. The DoD heavily invested in automated technologies during the first decade of the twenty-first century. Hoping to enhance DoD operations and reduce costs, Secretary of Defense Ash Carter assembled an advisory panel devoted to the capturing the zeitgeist of technological advances in previous decades.⁹¹³ Carter’s assembled the advisory panel of experts in computers and robotics to attune the DoD on technological innovations and the rapid expansion of automation to all sectors of the economy. Led by Alphabet and Google Chairman Eric

⁹¹⁰ Ibid.

⁹¹¹ Ibid.

⁹¹² Ibid.

⁹¹³ Doug Cameron, “Pentagon Urges More Cooperation from Silicon Valley”, *The Wall Street Journal*, March 2, 2016.

Schmidt, Secretary Carter's advisory panel designed his panel to "draw Silicon Valley's technology elite into efforts to spur defense-industry innovation."⁹¹⁴ Excited venture capital firms suggested that the new initiative could draw the DoD and enormous, globalized high technology firms closer. Moreover, these firms hoped Secretary Carter's drive would allow the Silicon Valley elites to have "lasting influence" beyond the formation of the advisory panel. According to one analyst, "If it [the advisory panel] survives and if it has the ear of the next secretary of defense, it could further shape the DoD acquisition behavior and policies."⁹¹⁵ The future of DoD acquisition and investment will be devoted to automation technologies.

Meanwhile, automation technologies overtook nearly all sectors of the economy and job market in the first decades of the twenty-first century. Automation rapidly conquered the transportation, manufacturing, and resource extraction industries. The mining consortium Rio Tinto's Western Australian operation provided a perfect illustration of the automation's potential for productivity, as well as mass displacement of workers. Rio Tinto's autonomous mining machines extracted iron ore, copper, and other minerals and loaded the materials into driverless trucks.⁹¹⁶ The trucks delivered the ores to automated trains deep in the outback for delivery to docks along the western coast of Australia. Computerized cranes loaded lightly manned ships delivered the materials to mostly automated docks in China, Japan, and the United States.⁹¹⁷ In the coming decades,

⁹¹⁴ Ibid.

⁹¹⁵ Ibid.

⁹¹⁶ Sam Bennett, "Automated Construction Sites Are Coming," *The Seattle Daily Journal of Commerce*, August 18, 2016. <http://www.djc.com/news/co/12092174.html>. Accessed August 29, 2016.

⁹¹⁷ Ibid.

however, even ships will be completely devoid of labor. In the mid-2010s, British defense contractor and manufacturer Rolls-Royce planned to build completely autonomous cargo ships. According to the company, the drone ships will be “safer, cheaper, and less-polluting” for the \$375 billion shipping industry that carries 90 percent of world trade.”⁹¹⁸ Technological changes have almost completely removed workers from the major sectors of the economy and will continue to shape financial and policy decisions in the coming century.

The inexorable connection between the rise of automation and globalization and the decline of labor wrought tremendous change within the United States by the early 2010s. The herald of globalization, Thomas Friedman of *The New York Times*, offered repeated cautionary tales to his readers throughout the early decades of the twenty-first century. Weekly columns from Friedman since the mid-1990s addressed the rapidly changing currents in employment due to globalization and, more recently, automation. Friedman’s work discussed the effect of globalized trade, labor, and financial markets on the general economy. According to Friedman, the vast majority workers outside of the technology industry suffered ruinous ripple effects from automation and globalization.⁹¹⁹ Friedman’s prediction of what witnesses and non-participants in automation and globalization should prepare for was a warning. “Fasten your seat belts and put your seat

⁹¹⁸ Issac Arnsdorf, “Rolls-Royce Drone Ships Challenge \$375 Billion Industry: Freight,” *Bloomberg Technology*, February 25, 2014. <http://www.bloomberg.com/news/articles/2014-02-25/rolls-royce-drone-ships-challenge-375-billion-industry-freight>. Accessed on September 14, 2016.

⁹¹⁹ Thomas Friedman, *The Lexus and the Olive Tree: Understanding Globalization*, (New York: Farrar, Straus and Giroux, 1999), ix. Friedman says “globalization isn’t a fad, but an international system.”

backs and tray tables into a fixed and upright position.”⁹²⁰ For those looking to ride out the rough water of globalization, Friedman warned that the storm will not pass. Rather, observers and participants should “get used to it.”⁹²¹

⁹²⁰ Ibid, 462.

⁹²¹ Ibid, 462.

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