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INTRODUCTION TO CORPORATE DIGESTS

The three corporations singled out for this report are:

Litton Industries, Honeywell, and IBM,

because they are among the top: 1) members of the computer industry; 2) defense contractors, who also have civilian employees directly advising the Armed Services in Vietnam; 3) expansionists for world trade; 4) contributors to unemployment in the United States through mergers, acquisitions and other manipulations of people necessary to keep up company and personal profits; 5) corporations, which like most others, have no women or minority personnel on the Board of Directors or at or near the top of management; 6) pretenders for clean corporate images.

These corporations are representative of the many. They are successful members of capitalism in good standing. This is the important point to remember: These are considered among America's finest.

All three corporations are contractors for the Department of Defense's (DOD) newly dreamed-up Electronic Battlefield. In fact, all three project plans to be suppliers of entire systems, not just components or subcontracting. Besides dealing directly in the manufacture of instruments of destruction, all three corporations are heavily involved in underdeveloped and/or militarily controlled countries in Latin America, South Africa, Greece, etc.

All three corporations have the not unusual connections with the U. S. Government and other industrial rulers, which help sustain their status quo -- and ours.



ELECTRONIC BATTLEFIELD

During the 1960s the most advanced technological country in the world called upon itself to conjure up even more sophisticated weaponry to do its part to "help" a very small Eastern agrarian area of the world. By now the inhabitants of this all-powerful land know their government is sending over thousands of many-breeded iron birds to dot the sky and seed the Asian clouds to create "proper" weather conditions. The bird droppings leave fire and brimstone wherever they go.

The visionaries of the modern country have a spokesman, who said:

"I visualize the Army's job in land combat as:

First, we must find the enemy.

Second, we must destroy the enemy.

And third, we must support the forces that perform the other two functions.

By studying operations in Vietnam, one can better understand these functions.

Large parts of the infantry, ground and air cavalry, and aviation are used in what I will now call "STANO" - surveillance, target acquisition and night observation, or function number one - finding the enemy. In this function large areas can be covered continuously by aerial surveillance, systems, unattended ground sensors, radars and other perfected means of finding the enemy. These systems can permit us to deploy our fires and forces more effectively in the most likely and most productive areas.

The second function - is the role of our combat forces - artillery, air, armor and infantry, together with helicopters needed to move the combat troops. Firepower can be concentrated without massing large numbers of troops. In Vietnam where artillery and tactical air forces inflict over two-thirds of the enemy casualties, firepower is responsive as never before. It can rain destruction anywhere on the battlefield within minutes... whether friendly troops are present or not... On the battlefield of the future, enemy forces will be located, tracked, and targeted almost instantaneously through the use of data links, computer assisted intelligence evaluation, and automated fire control. With first round kill probabilities approaching certainty, and with surveillance devices that can continually track the enemy, the need for large forces to fix the opposition physically will be less important." (1)

Not until we involved ourselves in Southeast Asia (SEA) did the vision of the automated battlefield come into existence. This is not a coincidence of technology. It is this writer's contention that our racism in the prime mover in the development and usage of the anti-personnel segments of the Electronic Battlefield (EB), such as chemicals and plastic pellets. During World War 2, Hitler's superior race carried out massive human "experiments." All we have changed is the terminology: we conduct our methods under the efficient explanations of "Research, Development, Test and Evaluation" (RDT&E). Although Germany systematically committed genocide it was the Japanese who received our two nuclear atomic bomb prize packages. Our policies have not changed.

In our eyes there is no equal race in Asia. Contracting death in Indochina is an extension of contracting slave laborers in South Africa, Latin America, and all the rest of the non-European countries. At no time do we refer to these people as "allies." In fact, after 15 years in SEA "fighting for their peace and freedom" we still officially refer to the inhabitants as "friendlies" versus unfriendlies or enemy forces.

An Investigation was held before the Electronic Battlefield Subcommittee of the Preparedness Investigating Subcommittee of the Committee on Armed Services, United States Senate, November 18, 19 and 24, 1970. A subsequent Report was prepared by the members of this committee: Howard W. Cannon, Nevada, Chairman, Daniel K. Inouye, Hawaii (who did not ask a single question throughout), Barry Goldwater, Arizona (who gave intermittent pep talks, i.e., "General, you were the former commander of the 25th Infantry Division?" General Williamson: "That is correct, sir." Goldwater: "I was happy to report as a second lieutenant in the Reserve in that division in February 1930. I was with them for 7 years." General: "I think it is still a good outfit." Goldwater: "I do, too.") and Ben J. Gilleas, Director of Investigations. Although not on the committee and not allowed to speak officially, Sen Thurmond, South Carolina, was there sitting in, for both open and closed sessions. I will refer to this document as "report." Cannon reported to John Stennis, Chairman, Committee on Armed Services that "The testimony before the subcommittee conclusively demonstrated that sensors made a dramatic contribution toward saving a significant number of American lives in Southeast Asia."

I have conducted my own investigation among soldiers and veterans who worked with the Electronic Battlefield and under some of the 12 Generals who testified. If any one summary statement can be made, given their experiences, no part of the Electronic Battlefield was dramatic except toward contributing to the death and destruction of an entire People, their land and did not significantly save American lives in SEA. It is the consensus that the only way this could be accomplished would be to have all Americans removed, along with their weapon gimmickry, from Indochina. This way all Americans lives would be spared, both those forced to fight and those forced to contribute taxpayer dollars. As one soldier working directly with sensors in Vietnam said: "We spend an incredibly large sum of money on such an incredibly marginal piece of technology. Imagine what \$2 billion could do back home in education or in the ghetto or in a hundred places. But it is squandered away for some company's profit report, for some politician's votes, and for some generals' pipe dream."

I am going to quote soldiers and veterans in a vague way since among their dangerous missions is honesty, which is untaught and discouraged. They do not give classified information although the Military Lifers keep such matters so confused and off balanced that fear always accompanies frustration.

When referring to the EB (Electronic Battlefield), the government, the Armed Services and the Hearings tend to address themselves to sensors. I will describe the sensors but it should be made clear that they are just one small segment of the Electronic Battlefield.

The sensors are small antennaed unmarked metal square boxes that have been developed to link up to a computerized system for detecting, evaluating and destroying enemy forces. There are many kinds and they keep coming. The military want new equipment and it usually gets what it wants.

IGLOO WHITE is the general term for the air supported system consisting of antipersonnel and antivehicular subsystems. In the Air Force operation, sensors are delivered by planes. The two types are acoustic and seismic. The ACOUBUOY

is dropped into trees and hangs there; the SPIKEBUOY is dropped where the terrain is devoid of trees and sinks a few inches into the ground. These transmit sound. The Report, to indicate their success (naturally they were found worthy and successful at all times during the Investigation) mentions that even casual conversations can be overheard. "These conversations reveal that the universal gripes of soldiers are common to the North Vietnamese as well." (Since these sensors have been used in Vietnam for four years and we can pick up what the North Vietnamese say among themselves, why don't we know their every move and where our own POW's are?).

The seismic sensors, ADSID (Air-Delivered Seismic Intrusion Detector) are allegedly strung along the sides of roads. "Detection ranges vary with the nature of the disturbance and soil properties." and the ACOUSID (Acoustic-Seismic Intrusion Detector) is a combination. It has a small microphone at the bottom of the antenna over which audio information can be transmitted on command from the surveillance center.

Hand Emplaced sensors have gone thru several stages of redevelopment and at the time of the Report we were up to MINISID 111, operated alone or connected to an ancillary detector of another type that sends a code over the main sensor's transmitter. It is claimed that MINISID can be recovered and reused. This may be true in theory but this author has been unable to locate a single G.I. who ever recovered or knew of recovery of sensors.

The DSID (Disposable Seismic Intrusion Detector) is more like a Pamper. The Report claims it was developed "through a stiff design and procurement competition to realize large volume production at minimum cost."

The MAGID (Magnetic Detector) reacts to magnetic objects. To quote the Report, "It is not affected by rain, trees moving in the wind, overflying aircraft, etc." You don't necessarily get an idea of why the MAGID is useless (which is that - by now just about everything moving in Vietnam, including oxen and other animals, as well as refugees carrying pots and pans causes it to react) but you begin to see what is wrong with the sensors I outlined before this one.

The PIRID is a passive infrared intrusion detector that senses fine temperature changes in the field of view. (Maybe animals can get away with survival with this one but civilians all tick away at about the same temperature.

PSID (Patrol Seismic Intrusion Detector) sets were produced for platoons and smaller groups to serve as sentries. One battery keeps it going for one day.

The MINISID 111 claimed by the Report to have a 90-day lifetime, double that of the model it replaced. "Since the average procurement cost also was halved, the daily operating cost of \$10.25 is only one-fourth that of the earlier model and it provides the same surveillance coverage." That is really great. Think of all the money we save. But in reality, what appears to be happening is that when the Vietnamese notice that artillery is coming in an automatic way, they put up signs warning others not to walk on that path. It is doubtful that with this human element added, any sensor can last longer than a few days. The sensors that self-destruct when tampered with are tampered with and they expire. The sensors have to be strung out, that is at least three of them used in a row, in order to get a "pattern of movement" reading on the read-out monitor back at TOC (Tactical Operations Center). This information must be assessed along with other intelligence, such as maps etc. showing where there are American and ARVN encampments and indicating whether the sensors are responding to rain or footsteps. I would like to inject the fact that ARVN's (Army Republic of Vietnam, or South Vietnamese soldiers) are not allowed near American Fire Centers. If

they, or any other Vietnamese gets too close, they are simply shot, without question. This, like many other things is SOP (Standard Operating Procedure). There are roughly 5,000 such bases and there are at least a few "mistakes" every month-- survivors tend to call up and complain.

The Report calls the readout device that picks up the information transmitted by sensors, PORTATALE. It can be carried in a jeep, helicopter or aircraft. Radio range depends on foliage. Sensors have to be within line of sight unless communications relays are available.

At the Investigation, Lt. General John Norton, Commanding General, U.S. Army CDC (Combat Developments Command), formerly with PROJECT MASTER (Mobile Army Sensor Systems Test, Evaluation and Review) at Fort Hood, Texas, said: The Army expects.. to take full advantage of the advances in modern communications, automation and advanced management procedures... within the combat systems. ...Now I know that the IBCS (Intergrated Battlefield Control System) has sometimes been confused with the electronic battlefield, the term that in the past has been used to define those efforts of the DCPG (Defense Communications Planning Group, created September, 1966 under aegis of Secy. Robert McNamara to get EB off the ground). We feel that the electronic battlefield comprised of unattended ground sensor detections is just one part of our integrated battlefield control system."

While we are with Lt. Genl. Norton, let me mention that the CDC Information Office, Ft. Belvoir, Virginia, under his control, publishes an authorized magazine, ARROWHEAD, funded by the Dept. of the Army, or to be more precise, us. It is filled with stories of the latest electronic goodies, such as "Advanced Aircraft Detection Procedure May not be too FAAR Away." FAAR (Foward Area Alerting Radar) has"undergone much re-thinking and re-evaluation since its QMR (Qualitative Material Requirement) approval date in 1968.(2) Presently under the monitorship of the CDC Air Denfence Agency, FAAR is being developed to assist the Chaparral, Vulcan and Redeye (Honeywell) Missile Systems... The on board IFF (Interrogator Friend or Foe) equipment will provide ability to electronically challenge all targets detected...Under this system it sends a coded pulse and if the aircraft does not return a pre-coded friendly response, the operator can start the radar electronically transmitting target data to fire unit sites."

From both Fort Hood and Marine and Army Divisions in Vietnam, soldiers reported that their common experience as NCO (non-commissioned officers) was that they were working with generals, captains, helicopter pilots to VIP's from Washington. None of them knows why since this is not the way it is usually done. They all have the EB in common and they all have the same story: Weekly reports were written about the new applications for sensor technology. If there were no successes to be reported they were fabricated: Failures were not mentioned. In fact, moving up the chain of command, the story gets rosier, starting with the guy in the field who doesn't tell his supervisor he is having problems because the equipment is expected to work and he wants to look good, to those in various Centers who write false reports at the direction of their superior officers, to briefings among officers that are "incredibly fraudulent." One soldier said "it seems as if everyone in the military has to exaggerate the value of his own particular area in order to have a feeling of worth." Another marine, who worked with Col. David Lownds had just come back and was in effect testifying on his own behalf since he is probably up for promotion. "When you're using EB equipment, development type people and commissioned officers in charge of these programs expect reports of success since it determines how their record looks."

Brig. Genl. Wilson R. Reed is Commanding General of the Army Computer Systems Command. His area of command is technical management for TOS, TACFIRE (Tactical Fire Control Systems) and CS₃ (Combat Service Support System). He would have made a highly knowledgeable witness for the Investigating Committee but he was not present. This might be because Brig. Genl. Reed, although speaking of Battlefield Data Automation in glowing terms, admits that "TOC is only able to assimilate for use about one-third of the information that is sensed; thus the commander ends up basing his decisions on something less than 30% of ground truth. A sorry situation when the fate of the nation may be involved!" He admits that there is a "mobility/protection dilemma...today all of the ADSAF(Automatic Data System to the Army in the Field) Systems must be dug in for protection from battle hazards...(which) limits their ability to move out quickly...(and) the equipment must be useable by soldiers who are primarily fighting men, not full-time computer technologist."(3)

The General also said: "Psychologically, we must come to accept the validity of our electronic sensor outputs and act upon them as readily as we accept and act upon those of our human senses. There is no sensor in the ground environment today in which we place sufficient confidence..." As a retired Marine, trained for three years in schools stateside before going to Vietnam, told me: "Maybe I would accept electronic data, maybe, but I have to go out there and sell it to other grunts (infantrymen) and these guys out there don't believe this new stuff. They'd rather rely on visual and other stuff they've been using and understand. The Infantry in the field are the users and they don't believe in it. And the hard-ass lifers who've been doing things the old way don't trust any of it either." Considering the fact that Brig. Genl. Reed stated there is presently no way to control error, their instinct seems healthy.

Top military officers who talk about IBCS see it as a 10 year development project. But computers are being used now and they just don't work. And the 10 year plan is based completely on today's obsolete technology. Proxmire, who brought the EB to the Senate floor has predicted that it will easily cost \$20 billion, twice the currently estimated price tag for the ABM system.(4)

What all witnesses before the Investigating Committee had in common was unstinting praise allowing for no error in anything that has been developed and is allegedly being used. Furthermore, they testified that the transfer to the ARVN's under the Vietnamization program announced by President Nixon has been very "effective." General Wright claimed "the ARVN showed considerable interest and learned rapidly how to employ the sensors and were running their own operation within a few months." General Norton observed that the ARVN soldiers were making maximum use of unattended sensors "...adapting well to the electronic devices...in a skillful and imaginative manner." Admiral House stated they (Vietnam Navy) like the sensors and are employing them well."

As stated above, our own Army, Navy, Air Force, etc., do not take fondly to the "new" weapons. They do not use them, they do not utilize the information they garner because they do not trust it. The Vietnamese are not even happy using a simple telephone operation. In many cases they refuse to have anything to do with something technical. They prefer their own ways.

I have been told that the Vietnamization policy is simply "official rhetoric" about the ARVN's taking over the war. "It is written down policy but the ARVN's don't want to take over the war. We took the electronic equipment... we gave them old equipment which isn't effective and a half-ass training program. In other words, we were officially complying with what the Pentagon claimed but in fact, not." To the question, "Why isn't the equipment turned over to the ARVN?" the reply came: "We didn't turn over the equipment to the ARVN

because we don't trust them. Not a single one of them. We could never be sure they wouldn't turn the equipment over to the N.L.F. at night. What we did, what was done, was S.O.P. When units are pulled out of Vietnam they withdraw the new equipment to the United States and Okinawa. We would turn stuff over to the ARVN, but without motors or batteries, but it was official on paper."

"Do the Generals believe the ARVN's are getting the equipment?"

"Maybe. They aren't told the truth. There is no way of documenting what we're doing. We just tell them everything is fine. They never question the success reports. They expect them. At times, they order them, but usually it is S.O.P."

One Vietnam veteran explained his brief experience with sensors. I repeat it because I have been told it is not unusual.

"I set up hand employed sensors along trails in threes: MINISID -- PIRID -- MAGID. The MINISID has a 5 yard detection area of the trail with a broadcasting signal. The PIRID connected by a cable, identifies temperature. And the MAGID also connected by cable, detects metal. The idea is that the pattern of all three sensors shows up on the monitor and that means that something is going through. Then I stamp my foot so that observers can fire artillery until they get the target right. There had been a few days of instruction before the men in my platoon went out to seed the fields. It took us at least 300 man days to plant one area. Then we happened to be ordered to move on. The sensors we implanted were reusable and we were told they were good for three months. But we were not told to retrieve the sensors. No one else could retrieve them because they were set to destruct unless the special key was put into the sensor box to turn it to "coverable." The key is used to activate the sensors as they are being planted. The sensors we planted were abandoned."

One problem the sensors have is detecting light-footed Vietnamese. An attempt at resolving this has planes expelling thousands of noise-producing "button bomblets" (made by Honeywell) that make it difficult to move through the forest soundlessly. The Generals did not report these expenses to the Committee.

But despite the less than spectacular success story of the sensors, the Armed services and the Marine Corps are expected to integrate DCPG sensor programs into regular roles and missions.(5) The STANO concept as outlined by General Westmoreland is divided into a large number of items under various code names (about 100 specific items). The STANO list is classified. DMS admitted that "charges made by several Congressmen on the tremendous expense of the EB did have the noteworthy side effect of having figures released for the first time which show how much money was spent and by whom." They go on to say: "Equipment procured and Research and Development efforts still are difficult to identify due to classification, but one face emerges through all the discussion. That is that the military wants an Automated Battlefield and every effort will be made to achieve it...DOD is envisioning spending \$200 million a year on tactical sensor procurement, research and operations in SEA." That is a very modest estimate.

An example of what the real EB is, can be found in Lockheed's S-3A anti-submarine aircraft program. In August, 1970 Pentagon studies predicted a \$1 billion cost overrun. By then, the Air Force had spent 2.5 billion on the program and received one operable plane.(6) The latest news is that the government has agreed to shore up Lockheed's overruns. Partial description of the twin-engine jet, carrier based, anti-submarine warfare aircraft whose mission is submarine detection, tracking and destruction: The studies started

in 1963, contractor award was August 1969 and production is scheduled to continue through 1978. The fuselage is designed to accommodate a wide array of electronic equipment, 2 operators with consoles, sonobuoys and also mines and torpedoes which give the aircraft its offensive punch. The 2 console operators are seated well forward in the aircraft. The Tactical Coordinator (Tacco) is seated facing forward directly behind the co-pilot, while the Sensor Operator sits behind the pilot. The A-New System will be miniaturized. Univac is producing the digital computer which will perform the task of analyzing and storing various inputs. Through the use of advanced cathode ray tube displays, the crew will be able to select various types of computer evaluated information from the integrated sensor system. Sensor inputs will include infrared, radar, acoustic and magnetic information. The S-3A will carry both active (Julie) and passive (Jezebel) sonobuoys. Active sensors will operate with Command Activated Sonobouy System (CASS), while passive sonobuoys will operate as directional listening systems under the Directional Frequency Analysis and Recording (DIFAR) System. Sonobuoys are stored to facilitate ground loading. No airborne replenishment is possible. Other equipment installed aboard includes LLLTB (Low Light Level TV) and an improved Magnetic Anomaly Detector System (MAD). The LLLTV will be used for night and poor weather search as a substitute for direct visual sighting. The CAINS (Carrier Airborne Inertial Navigation System) which combines doppler radar with gyro stabilized inertial platform -- contracted by Litton. For potent offensive punch there are Mark 46 torpedoes (which was a \$3 billion fiasco by Honeywell, according to CBS), mines, missiles and forward firing ordinance. IBM has a \$3.7 million development contract for the Airborne Computer System. No sizable sales seen until 1973 or 1974, as projected in DMS report of December 1970.

One of the most evident findings, as we delve into the military and the industrial and the governmental arenas, is that everything is based on confusion and corruption. An editorial in Fortune observed, "At a staggering cost, the military has repeatedly bought weapons and deployed forces in ways that have added only marginally to national security...; the interplay between the military services and their suppliers (the industrialists) generates pressures to maintain high levels of defense spending, almost regardless of the external threat. The natural desire of military men to have ever-more-sophisticated weaponry coincides with the desire of the contractors to supply it."(7) The President, who is credited with setting policy, can have no better Intelligence that that fed to him by people who have something to gain, just as he does.

1. General William C. Westmoreland, Congressional Record, October 16, 1969
2. Arrowhead, published by United States Army Combat Developments Command Information Office, Ft. Belvoir, Va. March, 1971 p.4
3. From a speech entitled "Battlefield Data Automation" given before an industry group several months prior to the Investigation, 1970, by Brigadier General Wilson R. Reed, United States Army.
4. Phil Hirsch, "Proxmire Says Electronic Battlefield is Big Boondoggle, Imperils Privacy," Datamation, October 1, 1970 p.32
5. DMS, September, 1970
6. The New Republic, August 1, 1970
7. The Pentagon Watchers, edited by Leonard S. Rodberg and Derek Shearer (New York: Doubleday, 1970, p.223

LITTON

All companies, corporations, corporate conglomerates and multinationals have a common heartbeat--Chairman of the Board, Boards of Directors, Presidents and other top managerial officials. It is highly common for the same men--and the larger and more powerful the corporation the more common it becomes--to sit on the Boards of many corporations, determining policy, sharing common interests and picking up profits. Separation between corporation and corporation does not exist, nor does separation become evident between corporate heads and government officials. As growth becomes more evident, conflict-of-interest and other safeguards are more readily overlooked.

To cite an example let us take the Federal Corrupt Practices Act of 1925 which makes it illegal for any individual to donate more than \$5,000 to any one national political party campaign. This is side-stepped by the formation of committees. The FCPA law also forbids corporations from making political contributions but this is circumvented by allowing officers and directors of corporations to make contributions as "individuals." The Act further states that no firm or individual under contract to the U.S. Government may make any contribution, either directly or indirectly, to any political party, committee, or candidate. There are many offenders, particularly among defense contractors.

From our top three, let us look at Litton Industries, which rose from the rank of "21" on the Pentagon's list of war contractors to 1969 to number "9" in 1970. Litton made the largest contribution to the Republicans in 1968, with a grand total of \$151,000. (1) This was when Richard M. Nixon was running on the ticket. The two individuals behind Litton are Tex Thornton, Chairman of the Board, and Roy L. Ash, President. Roy Ash is a close, personal friend of President Nixon's. The first visitor Nixon received officially (as reported in the Scranton, Pennsylvania Times, a Republican daily), was Roy Ash. Charles B. "Tex" Thornton was a close personal friend of Lyndon Johnson and (from their early postwar "Whiz Kids" days at Ford Motors) Robert McNamara, both of whom were instrumental in creating The Electronic Battlefield concept. During President Johnson's time Tex devoted 60% (2) of his time to the President's "National Advisory Committee on Civil Disorders."

Thornton and Ash work very closely. In fact, executives come and go at such a rapid pace that the out-ended ones are referred to as LIDOS (Litton Industries Drop-Outs). One LIDO said, "You should see Ash at the murder squad (quarterly review of top executives of Divisions based on a system of automatic people data feedback to corporate headquarters)--he thinks everything can be reduced to a number. And in business it can't." Many leave because they cannot work with Roy Ash, whom they've dubbed a human computer. (3)

Litton started life in 1953 (while Nixon was Vice President) producing power tubes for the Government at low cost, booking high profits. Litton used the excess profits from these contracts to get into other businesses selling to the Government. (4) The founders, Thornton and Ash, knew that the Defense Department's renegotiation board considers the totality of a company's business with the Government in calculating profit levels. (Government and defense contractors always bear this knowledge in mind.)

A commission for reorganizing the Executive Branch of Government appointed by Nixon began work 3 months after he took office. This commission has become known as the "Ash Council" because it is headed by the Litton President. To be more precise, Mr. Ash heads a Council that will determine the fate of U.S. Regulatory agencies, such as the Federal Trade Commission (FTC). On February 12, 1971, (5) Nixon said he would place a deadline of April 20th, in order to gather reactions to the Council's suggestions. There have been some major articles on the Ash Council:

"Why the Federal Government Needs Restructuring," Fortune, March, 1971; "The Government Needs an Overhaul," New York Times, March 25, 1971. Coincidentally, they were guest authored by Roy L. Ash. U.S. News and World Report carried a feature interview with Mr. Ash as well as related articles like the "Real Story of the 'Nixon Revolution'."

The FTC presently handles anti-trust cases. The Ash Council has suggested drastic changes in this area. It might be interesting to note that Litton Industries, despite its connections, has been cited by the FTC for violating the Clayton Antitrust Act.⁽⁶⁾ In an FTC Acquisition complaint issued on April 11, 1969, Litton was charged with violation of the law. The complaint states that on January 3, 1969, Litton acquired substantially all of the outstanding stock of Triumph-Adler, a German typewriter manufacturer and that Litton has had Royal Typewriter for five years now. "Litton recognized in 1965 a requirement for basic improvement in the typewriter products of Royal. Its response was to choose expedients that avoided commitment to original research and development. Acquisitions have been among the expedients chosen." Litton admitted Royal is sustaining losses: \$6.5 million FY (Fiscal Year) 1968 and over \$6 million FY 1969 and that Royal's sales organization has been declining. Litton blamed this on IBM although most of the loss was due to Royal's portable typewriter plant in Springfield, Missouri, which is now closed (throwing many people out of work). IBM does not even make portables. Litton proceeded on the basis that it has Triumph-Adler until forced to divest. Therefore, Senior V.P. Ralph O'Brien said, "We have completely reorganized the Royal company and they are confident now that, with Triumph-Adler, they will have the R and D capability, the manufacturing and worldwide marketing capability that will give us the ability to sell at a scale allowing us to produce at a reasonable cost."⁽⁷⁾ Thornton said: We are confident that the acquisition by Litton of T-A will increase, not decrease, competition in a market now dominated by one large company. We cannot imagine that the FTC which has done a very able job in the field of antitrust would take an action which would clearly reduce, rather than increase competition."⁽⁸⁾ The following year Litton eliminated 1300 jobs at Royal's Hartford, Conn. plant in a move to cut costs by manufacturing abroad.⁽⁹⁾

In the latter part of 1964, Litton formed an Economic Development Division, which provides system management services to and undertakes programs for business, industry and government (including Federal, state and local levels), both in the U.S. and in other countries, operating as a prime contractor or member of a consortium group. Although operated autonomously, Litton supplies financing and top management control.⁽¹⁰⁾ This might be characterized as the "Good Image" department undertaking such programs as: oceanographic development, arms control and disarmament, pollution control and manpower development and training, etc. I will outline just a few reasons for Litton's interests in these areas.

Manpower development and training: A few months after creating their EDD, Litton was awarded a Federal Government contract by O.E.O. to run Job Corps Center near Pleasanton, California, for training high school dropouts and other hard-core youths. This was a \$12,500,000. contract. The General Accounting Office (GAO) found Litton had purchased \$337,000 worth of unneeded books from one of its own publishing companies and charged the amount to the Government. Litton told the O.E.O. they made no profit but GAO found the purchases had been made "on a commercial quantity to public" basis. The GAO found enormous stockpiles of books crumbling away on such subjects as Einstein's theory of relativity, the stock market, and the slide-rule. Despite such irregularities, their contract was extended until March 31, 1968 and then renewed for the same amount.⁽¹¹⁾ Furthermore, on July 6, 1970, Dun and Bradstreet reported that Litton is operating the Parks Job Corps Center under a 2 year contract for the Economic Opportunity Department of the U.S. Government.

Pollution control: Litton's 1970 Annual Report lists pollution control projects as Long Term Opportunities. "(We) won 12 of 16 contracts awarded air pollution

districts designated by the U.S. Government for computerized air monitoring systems. A \$250 million-a-year market for air and water pollution monitoring systems, including instrumentation, is foreseen in the U.S. alone by 1975."

Rust Engineering Division was purchased in 1967 and has world-wide engineering and construction concerns in the pulp and paper, ferrous and non-ferrous metal, chemical, rubber and plastics industries. They claim \$127 million sales in FY 70. These industries are among the heaviest polluters in the world. They detail contracts for mills and processing plants throughout the U.S., Europe and even Hungary. They mention ONE water pollution control project to be added to the Pittsburgh waste water treatment facility and it is financed under a U.S. federal grant with Rust sales value for the contract slated at \$36 million.

Oceanographic development/arms control and disarmament: Remember Litton's campaign contributions to what is now the Nixon Administration? The payoffs for this have been many but certainly the most outstanding has been the largest single contract in the annals of American shipbuilding.⁽¹²⁾ The U.S. Navy awarded Litton a \$2.1 billion contract in June, 1970 for production of 30 multipurpose destroyers (Spruance DD-963) to be built by the Ingalls division, Mississippi (Described in the Thornton-Ash letter to the shareholders as long-term contracts in excess of \$3 billion for the world's most modern automated shipbuilding facility.). This division was purchased in 1961 for \$20 million. The Litton people assumed the contract would be awarded to them despite the competition, Maine's Bath Industries, a well-regarded builder of destroyers. Bath had told the Navy that if it won it would build a \$65 million expansion to its existing yard and the State of Maine guaranteed credit for Bath up to \$32 million of that amount. Litton spent under \$3 million of its own money designing the shipyard and competing for an earlier Navy contract (detailed below) that made the shipyard possible.⁽¹³⁾

Litton, like other companies, has a tendency to use in some other way an idled industrial capacity resulting from a program cancellation. A good example of this arose after the Congressional rejection of the Fast Deployment Logistics (FDL) ships, for which the Ingalls division had done some development work, and hoping to produce the ships; had begun building extensive shipyard facilities. Several months after the rejection, the Navy announced that Litton had been awarded the contract for the Landing Helicopter Assault (LHA) amphibious ship, with a potential follow-up valued at over \$1 billion.⁽¹⁴⁾ Litton knows how good it is to do business with the Navy. For that contract they stipulated that the Navy reimburse them 100% for all expenses on the contract over the first 48 months of work. And Litton bills the Navy weekly. Equally benevolent is the State of Mississippi which financed Litton's yard by a bond issue. Mississippi states that the "Shipyard of the Future" owned by them and operated by Litton will continue to add employees at a rate of about 250 a month in the Ship Systems division and 200 a month in the Nuclear Shipbuilding division. They claim total employment at the two divisions will exceed 14,000 by the end of this year.⁽¹⁵⁾ (Incidentally, this is the territory of Mississippi Senator John Stennis, Head of the Armed Services Committee.)

Litton relies heavily on defense contracts. They are one of the main contractors for the Electronic Battlefield. Ninety-seven percent of their Communications and Electronic Data Systems business is with the Department of Defense. In this field they claim expansive growth and long term opportunities in automated command and control.⁽¹⁶⁾ For their 1970 World Market they claim \$250 million in Defense Aircraft Inertial Navigation. They have many important U.S. Air Force and Navy contracts.

In 1966, Der Spiegel reported that the Bonn government had complained that the inertial guidance system, made by Litton, failed to meet specifications. Litton replied that the German standards were described as "design goals" and therefore were not technically binding.⁽¹⁷⁾

Litton supplied Ft. Hood, Texas' Project MASSTER with the prototype of the Tactical Operations System (TOS) - the IBCS command center computer system - which will also support TACFIRE (Tactical Fire Control System). They are continuing the developments for computer hardware/software for IBCS (18) The TACFIRE System for the Automated Data Systems for the Army in the Field (ADSAF) has a contract total value of \$122.2 million. First production model is due in 1972. (19)

Litton's military contracts are vast and varied, including many many more directly involving the EB, One of the most interesting notations connected with this is "Projection." For example, a Doppler Inertial Loran (radar) contract being filled for USAF (Air Force) has this note: "Company selected to build flying test models. Concept to aircraft in the 1970-75 time period. Large Potential." Projection shows just what is to be expected as the Government tells you we are winding down the Vietnam war.

As already mentioned, Litton Industries keeps its eye on the world market. They have had their heart set on Greece. It is valuable to the U.S.-NATO-Military because of its geographical location. In 1963, Litton was so sure they had their foot on the land that they emblazoned their Annual Report with a picture of the Acropolis. Despite the instability of Greek governments, they still could not get in until that country was taken over by a Military Junta on April 21, 1967. Within three weeks, Litton has signed a 12 year contract, known as the "Greek Economic Development Pact" to develop tourism on the Island of Crete and along the Western Peloponnese. Greece put up \$90 million for the first $3\frac{1}{2}$ years, and Litton agreed to raise \$150 million in international capital markets. Litton was paid cost plus 11 per cent for consulting fees; they were also to receive commission on the capital they raised. (20) Along with tourism, Litton had a project for the development of the enormous gypsum (alabaster) deposits found on Crete. The original promise to Greece was public and private investments totaling \$840 million. At the end of the first two years only \$11.5 million of new plant investments had been approved and implemented. The Greek military junta exercised its right to review and revise negotiations. They were unhappy with Litton's scope of activities and their own lack of revenue. The contract was terminated by October, 1969, four months after Litton and the Ministry of Coordination entered negotiations.

The original pact with the Greek Junta has been dissolved but it does not mean that Litton has walked away from all that gypsum, any more than the U.S. foreign aid bill forbidding future military aid to Greece meant the Junta was not getting weaponry. President Nixon appointed Roy Ash to head the committee to shape up the U.S. Government's Executive Agencies a year and a half after Litton entered into the contract with the military dictatorial government. As Litton was losing its foothold in Greece because it could not get European countries to invest capital in so unpopular a cause--President Nixon was planning compensation. Senator Edward Kennedy, Massachusetts, began noting the private loopholes that were emerging in the tax-reform bill. The beneficiaries were not named in the bill, but the language of the amendments had been so restrictively phrased that only the intended beneficiary could qualify. (22) For Litton Industries, the bill had a tax break on executive stock options.

Litton Industries bought its way into South Africa by acquiring Hewitt-Robins, Inc. and now have substantial holdings there. Their market estimate for 1970 is \$1.4 billion. This division is the supplier of bulk conveyor systems that move "millions of tons of gold, silver, diamonds, copper and iron ore in the mines of South Africa (23)

The latest help for developing lands is Litton's \$8 million contract to supply Algeria with maps and computerized data on their natural resources of oil, gas, (24) mineral and underground water deposits. They are planning their survey by air. One wonders what the result will be!

Footnotes on Litton Industries

1. NARMIC press release, ca. 1970.
2. New York Times, March 22, 1968.
3. Ibid.
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5. New York Times, op. cit., p. 1.
6. Wall Street Journal, April 14, 1969.
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11. New York Post, February 28, 1968.
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20. New York Times, November 12, 1967.
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HONEYWELL

To consolidate its position as "The Other Computer Company" (it could also call itself "The Top Producer of Anti-Personnel Weapons"), Honeywell merged with General Electric in 1970. The merger required approval by the two companies' boards (never much of a problem) and by government agencies in the U.S. and abroad.¹ Negotiations were going on throughout the Spring of 1970. Both the French Government in behalf of Bull-GE and the Italian Government in behalf of GE-Information Systems in Italy (these two firms were also the products of mergers, GE took over Bull in 1964) laid down the restrictions that there were to be no lay-offs or other employee rebounds. And under government protection the French and Italian firms even went on a hiring binge. The U.S. Government made no such demands. Honeywell and some GE computer divisions merged into HIS (Honeywell Information Systems, Inc.) with Honeywell owning 81½% of the new firm. GE owns the rest plus notes and stock. GE doesn't have any representatives on the Honeywell Board but can nominate one Director of the new company (2)

As a result of this monopolistic thrust, (which Fortune points out should be welcomed by IBM, a defendant in an antitrust suit alleging that it has monopolized the computer field) many GE executives here in the U.S., including the head of the Computer Control Division "quit." Many plants have laid off hundreds of people at a time from the newly formed HIS. (Guesstimates are between 3,000 and 4,000 people.) In October, 1970, they laid off 700 workers as a result of the merger.⁽³⁾ On March 13, 1971, Honeywell laid off 300 people.⁽⁴⁾ In April, they laid off 260 more from two other plants.⁽⁵⁾ Honeywell also cut back their total EDP work force salary by 2%.⁶ Although this is a chapter on Honeywell, there is an item on GE that may be a spin-off from the same action. "GE workers in Milwaukee voted to give up their incentive-pay system in return for the promise of a new medical equipment plant. GE said the change will increase productivity. It threatened to locate the plant in the South if the vote went the other way." (7)

Why did Honeywell and GE merge? The answer lies in Honeywell's desire to have a stronger world base. The European computer market is expected to grow by 25-30% a year for several years, considerably faster than the more mature U.S. market. Also, to quote Al Rudell, V.P. of HIS international group, "The European is basically conservative. He doesn't like a lot of change. He typically overbuys for his immediate needs. He doesn't want to have to change computers in two years."⁽⁸⁾ Honeywell has made their point. They are taking over most of what is left of the European market after IBM drains off its 60-70%. This leaves overseas corporations with the problem of how they can even get enough money to do research and development in order to compete with these two heavies on their own territory.⁽⁹⁾ In other words, both continents have suffered, despite European government cautiousness.

The worldwide marriage between Honeywell and GE was consummated in South Africa too. In order to achieve this Honeywell had to sever its original partnership agreement with National Fund Investments (who supplied capital and local management) and purchase NFI's 50% share so that they would have absolute control. They went from a 50% SA-owned company to a 100% foreign-held corporation.⁽¹⁰⁾ They doubled their American technical specialists there.⁽¹¹⁾ Honeywell generally arranges to have sales in and to South Africa handled by United Kingdom, but American Honeywell came out in the open to make the South African acquisition and furthermore they supplied instrumentation and automatic controls as part of their computer business with the South African government.⁽¹²⁾

When Honeywell launched the new South African company, Edson W. Spencer, Executive Vice President and Director of the U.S. parent organization told the South African press: "We regard South Africa as one of the fastest growing markets

in the world for our products." He went on to clarify, "Initially, the South African company will supply imported items but, as the market develops, we intend to move into local assembly and manufacture, as we have done in other overseas countries."⁽¹³⁾ While claiming impartiality with regard to the policies of the government of the Union of South Africa, the company's slogan, used there, is "Honeywell: Programmed to Grow with South Africa."⁽¹⁴⁾

Honeywell, no doubt, has a rationalization for being and expanding in South Africa at a time when such an issue is distressing to so many in the world. Their presence is voluntary and exists for profits. In their latest Annual Report, they have a black woman modeling their photographic equipment and under "Social Concerns" they state:

Prominent among national priorities is equality of employment, which in the 1940's was formally established as Honeywell policy. During the past 10 years, this policy has been pursued aggressively....Our minority employment increased from 1.5% in 1962 to a high point, in mid-1969, of 6.4%. Although this was a four-fold increase, we were not satisfied with this figure....a combination of forced (?) layoffs and seniority requirements has rolled back minority employment to the levels of 1967.... programs based on recruiting are not possible today."

Honeywell is heavily involved in Latin America, another typical condition of corporations with world designs. Unlike mergers with European government approval, Latin America is dotted with totally owned subsidiaries. Honeywell states that "results were better than anticipated in Argentina and Brazil even though both countries went through currency devaluations."

Pollution seems to be this year's highlight for making money. Honeywell claims: "We have found rapidly expanding opportunities in the total environment field. The water and waste treatment field and the air pollution abatement business represents outstanding growth potential." Under Social Concerns, Honeywell gets in a plug by mentioning: "Environment protection is one of the first responsibilities of corporate citizenship."

I started this section about corporations by drawing on their similarities. There are groups and individuals who are becoming aware of the power these corporations wield and are trying to fight them on their own ground--with proxies at annual meetings. Honeywell is a prime target of many groups, including people living in the city of Minneapolis, the home of the parent company.

At the 1970 annual meeting, Honeywell had the city's entire police force out and armed. The overflow of people who could not get into the meeting were maced. Chairman of the Board James H. Binger announced that the meeting had two items of business to transact. The first was the election of 14 persons designated for the board of directors and the second was the designation of Haskin and Sells as the official accountants of the corporation. He said that following this others might have a chance to speak and bring up additional matters. Attendees wanted to know if the other people holding tickets would be allowed to enter and that the meeting should not proceed until they had. Binger replied that the meeting was under way. People protested that the meeting could not be conducted while people were being teargassed outside. They asked that the police be called off. Binger repeated his dictum. To demands that nomination be opened for other candidates to the board of directors, Binger replied,

The meeting is being run by rules set forth by the chairman and I am the chairman. By your disorderly conduct you have forfeited your right to an opportunity during the meeting when you can present your points of view and make your arguments. I therefore wish to announce that this

is a legal meeting. The management representatives hold a quorum of proxies. We hold proxies on 87.7% of all of the stock of the company. I now wish to announce that this 87.7% of the stock is voted for the 14 persons whose names are on the slate of nominees for the board of directors. I declare that this slate has been elected. I also declare that this stock has been voted to designate Haskins and Sells as the accountants for the corporation. I declare that Haskins and Sells are so designated. I now declare that this meeting is adjourned."

This was 13 minutes after the "meeting" began ⁽¹⁵⁾ Yet the same Chairman of the Board in his letter to the stockholders this year wrote: "We believe that corporations such as ours must work hard not only at growth and profitability of the business but also at the solution of problems associated with the role of private enterprise in today's world... There are indications that the business picture could gradually brighten. There are also indications that our society is turning toward more rational solutions to social ills." (16) The same report boasts worldwide employment increased from 81,520 in 1969 to 100,230 in 1970. (Despite U.S. layoffs)

Several corporations can bid against each other on one defense contract and in another area work hand in hand. Honeywell -- as part of a team with Litton Industries -- increased its role in shipboard systems. It will provide integrated control for anti-submarine warfare systems on the Navy's new turbine-powered destroyers. (17) Along with IBM, Honeywell is a member of the North American Rockwell team competing for a multi-million dollar space shuttle program. (18)

Honeywell moved up into the 16th spot on the Pentagon's list of defense contractors by ignoring all public opinion. Unlike Dow, Honeywell continues to produce anti-personnel weapons despite citizen outcry. I chose the word "citizen" because Honeywell is extremely fond of characterizing itself as a citizen, corporate citizen, world citizen, etc. In April, 1969 it stated to the press: "Honeywell management shares the feeling of those who would like to see the Vietnam War ended. We vigorously support...the government...in finding a solution... Until such solutions are found we believe the government has an obligation to provide our armed forces with the equipment they need to maintain a strong military posture. As a technologically -based company we have the ability to provide a variety of equipment as a supplier to the defense department. We believe it is entirely appropriate and correct to do so as a matter of good citizenship. For those who do not share our views about chosen government we endorse their right to legal and peaceful protest." Honeywell advertised in Ordnance magazine: "We stand ready to build weapons that work, to build them fast and to build them in quantity." No one can take exception to this claim -- Honeywell is by far the largest producer of anti-personnel weapons and components. Along with General Tire and Rubber Company, they are the only one to make entire anti-personnel weapons systems. Anti-personnel bombs are part of the Electronic Battlefield. For instance, the SUU-41 dispenser, is a device dispensing the Gravel mine from a high speed aircraft. Development alone cost \$0.9 million. A chemical weapon, BLU-52, which is a napalm tank filled with a riot control agent, CS-2 is used for area denial and harrassment. Development cost: \$10,000. A jungle bomblet in 19-tube dispenser came to life at a cost of \$0.4 million. CBU-42 (clustered bomblet unit) is the new 30-day Wide Area Anti-Personnel Mine (WAAPM), also known as Wampus with development cost of \$6.4 million. Honeywell went on to receive the production contract (including dispenser) -- for \$49.8 million. (20) Honeywell is the sole source of dispenser, bomblets and bomblet fuses. (21) Whether coming from the air or implanted in the ground (gravel mines) these grotesque creations are selected because their effect on targets (Vietnamese

people) is particularly brutal. No other weapon has the same fragmentation capability, speed or power of impact.

"The same individual may be struck by several fragments: each of them must be removed surgically...lesions caused by one fragment or pellet are numerous, difficult to detect and require delicate operations, The failure of the surgeon to recognize one of the lesions can be fatal."(22)

"White phosphorus bombs (a Honeywell special) were another incendiary the VC feared greatly. This stuff is even more vicious than napalm, In the civilian hospital in Can Tho, I saw a man who had a peice of white phosphorus in his flesh. It was still burning,"(23)

Surgeons have devised drastic operating procedures --particularly since Honeywell and others now make their ordnances with clear plastic pellets so that they will not show up on X-rays.

"A CBU victim, if hit in the stomach, is simply slit from the top of the stomach to the bottom and the contents of the stomach emptied out on a table and fingered through for 'frags'...When the sorting is done the entrails are replaced and the stomach sewed back up like a football, This football scar has become the true badge of misery in South Vietnam."(24) "...CBU's are dropped at altitude, normally 10-15,000 feet and the canisters containing the bomblets are destroyed by an explosive charge shortly after release, providing a wide pattern of coverage on the ground. Aside from the steel, razor-like pellets carried by the standard CBU's, other versions of the bomblets contain napalm and white phosphorous."

Anti-personnel weapons are called just that because they cannot pierce cement or earthen or sandbag revetments. They can only effectively penetrate human flesh. Their indiscriminate nature is a partial reason for the high civilian toll. Because of the wide area coverage it is not possible to distinguish between soldiers and the regular civilian population.(26) That the bombs are used in South Vietnam was revealed on March 2, 1967, when a pair of Phantom jets using the bomb combination wiped out the village of Lang Vei, killing more than 100 people and wounding 175.(27) The bombing of Lang Vei was no accident nor was it an isolated case. David Schoenbrun reports that this is not an infrequent occurrence.(28)

Bearing in mind that 80% of South Vietnam is a "free-fire zone" here is a description of a military target in the United States Air Force Manual: "A military target is any person, thing, idea, entity or location selected for destruction, inactivation or rendering nonuseable with weapons which will reduce or destroy the will or ability of the enemy to retreat." Now we have a description of "the enemy." And citizen Honeywell knows its duty. What could be more American than a baseball-sized bomb creating football-type scars on Asian human beings?

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7. U.S. News and World Report, March 29, 1971
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IBM

Unlike Litton and Honeywell, IBM prides itself on lineage--the Watson family--to help project its extended liberal, humane public relations image. This giant computer firm, seventh largest corporation in the U.S.,(1) controls 70% of the U.S. and world market.

Thomas J. Watson, Sr. (1874-1956) was the first President of IBM. He is credited with "THINK", which is always associated with the firm. He is less known for his political leadership. For instance, at age 56, he stated in a speech:

"I want to pay tribute this morning to your great leader, Benito Mussolini. I have followed the details of his work very carefully...I feel that the present generation in Italy is going to benefit greatly as a result of... (his) pioneering work. One thing which has greatly impressed me in connection with his leadership is the loyalty displayed by the people. To have the loyalty and cooperation of everyone means progress and ultimate success for a nation or for an individual business."(3)

IBM demands no less from its employees.

In 1937, Watson, Sr. received the Order of Merit of the German Eagle with Star, by Adolph Hitler for "foreign nationals who have made themselves deserving of the German Reich."(4) After we entered that war, the medal was returned.(5)

At the dedication of IBM's new Poughkeepsie Center, Watson, Sr. once again echoed: "World peace is a matter close to my heart...The United Nations deserves not only moral support, but active support."(6) Thomas Watson, Sr. understood, as do his sons, that creating government policy is important and lucrative. He was influential (as a trustee) in having Dwight Eisenhower appointed to the presidency of Columbia University. Grayson Kirk, who followed Eisenhower to that presidency, is now a Director of IBM.(7)

The slogan of the overseas profitable division is "World Peace through World Trade". This phrase is used at the top of most International Chamber of Commerce (ICC) publications. This is not surprising since many of its active participants are IBMers. And Arthur K. Watson was President from 1967-1969.(8) ICC firmly advocates "private enterprise" although less advanced nations are not as enthusiastic about this stand.

An important ICC project is to standardize and maintain technical regulations in highly specialized fields. Companies dealing in computer peripherals, forced to follow IBM's lead, resent its standards.(9) Witnesses at the Joint Economic Committee accused IBM of manipulation.(10) A recent example is IBM's tucking the I/O (input/output) controller into its System 370 CPU (central processing unit), which will effectively keep independent peripheral makers from competing.(11)

Another ICC project is finding ways to continue world expansion, develop the Third World, and remove all tariff and non-tariff barriers affecting manufactured goods. The 3 aims are in IBM's interest, and the last would achieve its long sought-after large computer market behind the Iron Curtain, presently forbidden to U.S. corporations. ICL (International Computers Limited), the largest non-American maker of computers, does not encounter this problem, and, in fact, sells well in Russia.

At present, Arthur K. Watson is serving in the post of U.S. Ambassador to France. This appointment coincided with the early stage talks of Honeywell/GE and the French government about their merger. Although IBM looks confidently to the IBM World Trade Corporation, which handles all manufacturing and marketing outside the U.S., for its increasing revenue, Arthur resigned after 20 years to accept Nixon's post.(12) (He personally gave \$45,500 to Nixon's 1968 campaign.)(13) World Trade then Acquired another Watson, although too young to officiate, named Thomas J. Watson III.

IBM's main job in the European Division of World Trade is making sure it is viewed as a good citizen. This is achieved by employing nationals.(14) No such effort is made in Africa and the Middle East. IBM installed the most powerful computer installation existing in South Africa under S.A. government contract.(15) Like most American firms doing business in South Africa it claims to oppose apartheid. W. A. Florac wrote a letter on March 26, 1971, stating:

"IBM has a marketing organization in South Africa..." (They actually employ 950 people, 5% of whom are black.) "Basically our policy in S.A....is to comply with U.S. Government regulations and, of course, the laws of any country in which we do business. We have believed for a long time that the best guideline on whether or not IBM operates in a given country has to be the policy of the U.S. government....the presence of IBM and other U.S. companies in S.A. has been--and can continue to be--a positive force for good in S.A....We continue to search for ways to improve opportunities for Blacks employed by IBM S.A...."(16)

IBM has doubled their dollar flow into their S.A. operations because it is paying off so well.(17)

Arthur K. Watson is a member of the U.S. Inter-American Council, which is "composed of a substantial majority of those with investments or other long range interests in Inter-American affairs. To promote free enterprise in Western Hemisphere countries."(18) He is Vice President of the American Council of Commerce and Industry, which aims "to promote sound economic relations and expansion of trade between the countries of Asia and the U.S. conducts meetings, conferences, and forums for American and Far Eastern businessmen and government officials."(19)

Thomas J. Watson, Jr. is a member of the Committee for National Trade Policy-- "...to safeguard American enterprise...to promote public understanding of U.S. world trade policy issues."(20) He is on the Council on Foreign Relations. (IBM's importance to foreign economies is such that they maintain close relations with these governments.)(21)

IBM management understands the homily, "It's not what you know, but who you know." Their Board of Directors are active joiners too.

Grayson Kirk is President of the Council on Foreign Relations. P. L. Davies is a Director on the Stanford Research Institute Board (which includes a Naval Warfare Research Center, Combat Development Experiment Center, Strategic Studies Center with other interests in Army contracts for Chemical and Biological Warfare and a survey of Naval Mobility in the Mekong Delta, Indochina. They have a data processing equipment division. 50% of their income is from defense contracts).(22) Director Amory Houghton, Jr. is a Trustee of the National Security Industrial Association, which provides industrial advice and guidance to the Department of Defense, Armed Forces, and other defense related activities. It enables industrial leaders to keep abreast of defense level, requirements and policies. Director Burke Marshall is Chairman of the President's Advisory Commission on Selective Service.(23)

IBM Vice President, Dr. E. G. Fubini is a member of the Air Force Science Advisory Board and the Defense Science Board. Richard L. Garwin, IBM Watson Laboratory, is also a member of the Defense Science Board and the Institute for Defense Analysis.(24)

IBM is on the Committee on Military Exports, which is part of the Industry Advisory Council (IAC), the leading liaison group between the International Logistics Negotiation Section of the Internal Security Affairs Division of the Department of Defense (the U.S. Government's arms sales office) and the domestic arms manufacturers.(25) .

An example of immediate pay-offs from such memberships is: General Elmer Staats is Controller and head of the General Accounting Office (GAO). The GAO did a secret year-long survey and uncovered average profits on 156 negotiated contracts of 56%, or \$4.256 billion of taxpayers' money. Defense contractors have been claiming an average 20% profit. Though Staats had the report marked "Restricted to Official Use--At all times must be safeguarded to prevent premature publication or similar improper disclosure," on the front page of each copy, he leaked the news at a closed-door Pentagon meeting with defense contractors and government officials. This meeting of the IAC (called the Board of Directors of the military/industrial complex) got the information on February 13, 1971, before the report was submitted to the Joint Economic Committee, whose chairman, Sen. Proxmire (D. Wis.), had ordered the survey.(26)

Any challenge to the profitable military/industrial alliance naturally worries IBM officials. In late 1967, Thomas J. Watson, Jr. saw such a challenge in the furor raised by the Dow Chemical Company's production of napalm for the Vietnam War, and sprang to the company's defense. Terming the refusal of a manufacturer to sell products to its own government "ridiculous in the extreme," Watson denounced the napalm manufacturer's critics for "interfering with freedom."(27)

In June, 1970, Watson testified before the Senate Foreign Relations Committee on the Vietnam War, and contended that "we must end this tragedy before it overwhelms us."(28) But in a letter to several Vassar professors protesting IBM's involvement in the war, he wrote:

"It is obvious we are in disagreement on the role a corporation should play in determining national policy...If, as you suggest, the companies of the U.S. each becomes active in deciding national policies by supplying the government with materials only when they agree with the end use of the product, then this seems to advocate anarchy, and I do not advocate anarchy.... unless you can suggest to me a general method by which the U.S. might remain a viable government while hundreds of corporations decide our foreign policy ...I think a meeting" (with you) "would be inappropriate."

He fortified this belief at the 1971 Annual Meeting again by stating that he personally favored a more rapid rate of withdrawal, but IBM could not refuse to sell to the government, which "would foster anarchy."(29)

Over the last 5 years Washington's military agencies, including the AEC (Atomic Energy Commission), have turned increasingly to the use of ADP (automatic data processing) equipment. By mid-1968, these agencies utilized 70% of all government computers. (By contrast, the Department of Health, Education and Welfare used less than 2%.) (30) This process has accelerated until, as Business Week reported in late 1970, it "takes a computer to tally and print up the inventory of computers the government owns." At AEC the ADP equipment worked "not only in designing weapons... but also in simulating the destructive effect of atomic bombs." (31) Trade sources estimate total DOD expenditures on computer services in FY71 will run from \$1.6 bil-

lion to \$1.66 billion--up 15-20% from 1972.(32)

As an obedient servant of the Government, IBM moved from 30th position as a defense contractor on the "Pentagon List" to No. 24.(33) IBM has also far outdistanced all competitors for leasing and sales at the Pentagon. In 1968, sales were three times those of the runner-up. In 1967, for example, IBM received a \$114 million contract from the Air Force--the largest order ever placed.(35) The pattern continues with a regularity that IBM's competitors--sometimes known as the "Seven Dwarfs"--understand only too well. In early 1971, Electronic News noted their dismay when IBM received a "windfall of more than \$47 million" to convert "53 IBM/360 systems from lease to purchase;" the United States Army, Navy, Air Force, and Marine Corps accounted for more than 93% of the total contract.(36) To symbolize the marriage of the Pentagon and the giant of the computer world, Defense Secretary Melvin Laird appointed Gardiner L. Tucker, IBM's director of research, as Assistant Secretary of Defense.(37)

IBM's Federal Systems Division "concentrates on advanced technology and systems for ground-based, airborne and spaceborne information-handling and control needs of the U.S. Government."(38) In 1964, IBM began work on perfecting the bomb-navigation systems of the giant Air Force B-52's, and has continued to refine the accuracy of these awesome bombers to the present day.(39) IBM has also done work on the Navy's S-3A, A-7E, and A-6E aircraft. Both the Titan-II and Minuteman-II guided missile systems owe much to the efforts of IBM as does the development of the Safeguard anti-ballistic missile (ABM) program. IBM presently produces fire control systems, chemical retrieval systems, laser systems, submarine sonar systems, ballistic missile systems, and combat services support systems. All represent a new deadly weapons program as well as fat contracts.(40)

One of the most lucrative prospects before the computer world is the Pentagon program of upgrading the World Wide Military Command and Control System, known affectionately in the trade as Wimmix. In November of 1969, the Defense Department announced a plan for acquiring a minimum of 34 new computer systems and a maximum of 87. Although this number was subsequently scaled down under pressure to 15 to 35 systems, the Pentagon nonetheless plans to spend an additional \$959 million over the next six years on improvement. The contract is so appealing that "potential bidders reportedly have spent around \$2 million apiece preparing their proposals." Nevertheless, IBM, already the leading contractor for the National Military Command System, a component of Wimmix, clearly has the inside track.(41)

Since 1969, the United States Army has maintained a multi-layered data processing system in Vietnam, in which information is exchanged between the Logistics Data Service Center and a series of outlying depots operating on a standard IBM configuration. By late 1970, the monthly volume of computer transactions reached 3.5 million, for which the American commanding officer at Long Binh thanked "the finest group of data processors...ever assembled in a combat theater of operations." Of the 11 Air Force bases in Vietnam 8 had computerized support functions by the fall of 1970.(42)

IBM is a contractor for Seek Data II, a complex computer system designed to preplan Vietnam air strikes and airlifts. Spokesmen at Tan Son Nhut Air Base in Saigon "are wildly enthusiastic about...its enormous power."(43)

IBM has an ongoing contract for at least \$4 million annually to produce IGLOO WHITE sensors for the Air Force. At its Gaithersburg, Maryland plant, the computer giant has helped to produce SEAOR-62, "the College Eye EC-121R aircraft to monitor sensor information."(44)

An estimated 40 civilian programmers are working in Vietnam for the 7th Air Force Directorate of Intelligence. "They do bomb damage assessment, manager reconnaissance, and maintain 21 formatted files in an intelligence data bank."(45)

A news story described the Combined Intelligence Center as a "focal point" of the U.S. "intelligence operation" in Vietnam. Housed in a white, stucco building near Saigon, the center is described as follows: "Day and night in its antiseptic interior a family of blinking, whirring computers devours, digests and spews out a Gargantuan diet of information about the enemy." CIA officials come and go, rewarded with new data on suspicious Vietnamese. "When the identity of a Vietcong village chief was discovered, a unit was called into action," and if the chief refused to defect to the American side and could not be captured, "the alternatives were to kill him or to undermine his position." According to figures made available in Washington, "about 50 percent of those 'targeted' in the program are captured," and "20 to 30 percent are killed."(46) Such dealing with Vietnam's native population are natural parts of the war that the U.S. Commander-in-Chief in the Pacific has termed "the most computerized...in history."(47)

Patriotism--or profits? IBM's economic growth can be matched by few business enterprises in world history. Between 1960 and 1970, IBM's revenues grew fourfold--from \$1.8 billion to \$7.2 billion a year. Pretax earnings ran close to 25% of gross income for most of the decade.(48) Even in the "recession" year of 1970, IBM's total income reached a record \$7,503,959,690, with over a billion dollars in profits.(49) IBM's World Trade Corporation operates in 108 nations, with 105,000 employees in 18 plants, 336 branch offices, and 248 data centers.(50) One computer manufacturer has predicted that the value of all computing systems in the world will rise from \$36 billion in 1971 to \$75 billion by 1975.(51) Most of this additional computerware will undoubtedly be built by IBM, which already dominates the American and world commercial markets. Although government business is only a relatively small percentage of the company's volume, IBM is so huge that this is enough to place it among the major space and defense prime contractors.(52)

IBM's military work represents a vital a growing part of the American war effort in Indochina, as well as a source of income which the computer corporation refuses to abandon. And this surely tells us more about IBM's concern for world peace and for the future of mankind than all the pleasant pronouncements of its owners.

IBM.
THE COMPANY BEHIND THE COMPUTER.

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AFTERWORD

This introductory booklet has described the "new war," which is based on technological know-how researched and developed by U.S. corporations. Those described here are three of thousands that participate in war contraction-- which they interpret as supporting the Government.

A unique innovation has come to pass. Although Krupp and I.G Farben supplied munitions to the Third Reich during World War 2, they were acquitted at Nuremberg because they were not privy to Hitler's plans and aims. Are United States corporations free of this taint? They not only know what their instruments are being used for, they actually have their own personnel on the scene actively participating as civilian advisors with full use of military facilities. Furthermore, these corporations perpetuate acts of aggression by absorbing the military into their ranks on two levels:

Military brass generally retire into management and Director positions, where their good connections win further defense contracts, and

Technologically trained soldiers after their tour of duty, who work their way up the corporate scale, traveling back to Indochina on an expense account.

Trials have been instituted regarding certain criminal acts that have taken place. How far does the responsibility go? According to precedent the United States established at Nuremberg, corporations were not exempt.

U.S. corporations do not have to participate in manufacturing death weapons. They whole-heartedly bid against each other for this privilege. War means death to many human beings, but to corporations it simply means financial profits.

IF CORPORATIONS REFUSED TO PLAY WAR GAMES -- HOW WOULD WAR BE WAGED?

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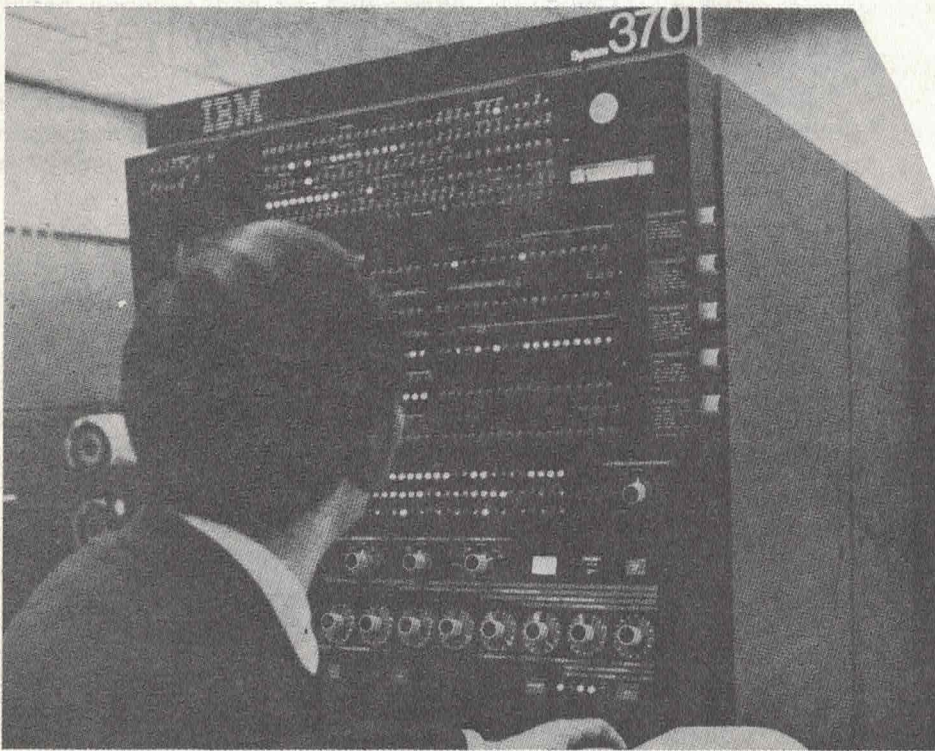
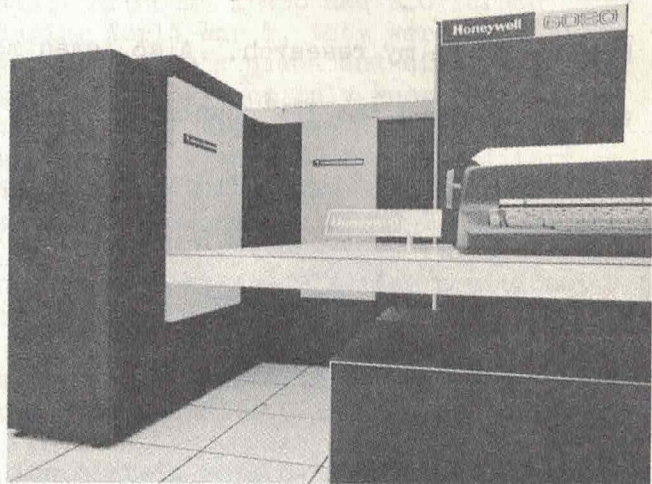
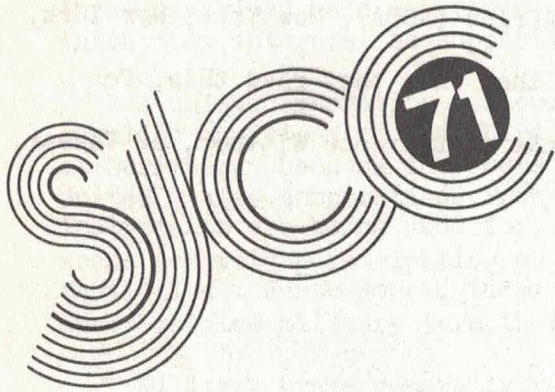
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