Vanderbilt Law Review

Volume 18 Issue 3 Issue 3 - June 1965

Article 3

6-1965

The Defense Establishment and the Domestic Economy

Adam Yarmolinsky

Follow this and additional works at: https://scholarship.law.vanderbilt.edu/vlr



Part of the Law and Philosophy Commons

Recommended Citation

Adam Yarmolinsky, The Defense Establishment and the Domestic Economy, 18 Vanderbilt Law Review 911 (1965)

Available at: https://scholarship.law.vanderbilt.edu/vlr/vol18/iss3/3

This Article is brought to you for free and open access by Scholarship@Vanderbilt Law. It has been accepted for inclusion in Vanderbilt Law Review by an authorized editor of Scholarship@Vanderbilt Law. For more information, please contact mark.j.williams@vanderbilt.edu.

The Defense Establishment and the Domestic Economy

Adam Yarmolinsky*

At a time when defense expenditures consume about fifty percent of the federal tax dollar, the question arises as to how the Department of Defense can provide the required defense without adversely effecting the people and institutions it is to protect. In response to the question, Mr. Yarmolinsky examines three problem areas: the effects of defense procurement policies, the effects of research and development policies, and the effects of defense spending generally on the health of American economy. The author's main point is that the responsibility for absorbing the impact of defense spending must be shared by private industry as well as by all departments of government.

The first edition of Adam Smith's Wealth of Nations was published on the 9th of March, 1776, within four months of the signing of the Declaration of Independence. It was one of those rare occasions when history permits something to happen on a convenient date. For the principles of economics which Adam Smith expounded are an essential element in the structure and growth of American social thought, along with the principles of the Declaration of Independence itself. Their importance and relevance should not be obscured by the irrelevancies of economic fundamentalists, any more than the irrelevancies of constitutional fundamentalists can be permitted to obscure the relevance of constitutional first principles. The arguments for and against Keynesian economics as applied to budget deficits should not let us forget that Lord Keynes built on Adam Smith, just as the arguments for and against Brown v. Board of Education should not let us forget that the Brown decision was based on the interpretation of the Umited States Constitution.

From the beginning, the American genius has been to seek and maintain a balance, albeit sometimes precarious, between the needs of the society and the rights of the individual. We make mistakes, sometimes in one direction and sometimes in the other, but on the whole, even if we haven't always kept the ship on an even keel, we have prevented it from capsizing on more than one occasion.

Assistant to the Secretary of Defense, Member of the New York and District of Columbia bars. The article is based upon an address given February 17, 1965, at the Vanderbilt University School of Law.

^{1.} Brown v. Board of Educ., 347 U.S. 483 (1954).

Among the many factors which Americans in our generation must take into account in this perennial balancing act is the largest peacetime military establishment in history. Measured in terms of sheer destructive power, in fact, we now possess by far the greatest aggregation of military force ever assembled by any nation during war or peace. And in maintaining that force we are encountering a problem which Adam Smith, in part, anticipated.

In the chapter of his celebrated work devoted to "The Expenses of the Sovereign or Commonwealth," Smith lists *Defense*, *Justice*, and *Public Works*—in that order. "The first duty of the sovereign, . . . that of defending the society from the violence and injustice of other independent societies," he observed, "grows gradually more and more expensive as the society advances in civilization." By that standard, we are civilized, indeed.

"Among the civilized nations of modern Europe,"—and this is Smith again, speaking in the year of the American Revolution—"it is commonly computed that not more than one hundredth part of the inhabitants of any country can be employed as soldiers without ruin to the country which pays the expense of their services." 3

What would have been Smith's reaction-or, for that matter, the reaction of Washington, Hamilton, or Jefferson-to a situation where the peacetime costs of defense annually absorbs almost ten percent of the Gross National Product, as it has for the past decade? Where more than half of every tax dollar paid into the Federal treasury goes to defray the costs of our military force structure? Of course, one does not have to be an Adam Smith to realize that one cannot equate percentage of total population with percentage of Gross National Product. And it is not clear that Adam Smith was talking about total population rather than population of military age. But, in any event, examining the situation today, I suspect that the reactions of our ancestors might have been at first incredulous, then appalled, and finally amazed. Incredulous at the vast size of our defense apparatus; appalled at the ostensible threat to free institutions inherent in such a gargantuan establishment; and, finally, amazed at our success in maintaining both our strength and our freedom. This is an achievement so rare as to be almost unique. And it requires the constant, dedicated attention of us all to preserve both our strength and our freedom.

No one, I trust, will mistake my meaning and construe this as a warning against the Man on Horseback. In North America, at least,

^{2. 5} Smith, An Inquiry Into the Nature and Causes of the Wealth of Nations 47-77 (1776). 3. Ibid .

that has never been a serious threat, nor even a serious problem. Our traditions, our system, and, if you will, our national genius, all militate against it. During eight recent years, for example, our President was a career Army officer, a war hero with virtually no professional experience out of uniform before entering the White House. Yet rarely, if ever, was he accused of trying to aggrandize the military establishment; on the contrary, he was frequently attacked for allegedly subordinating urgent military requirements to political and economic priorities established by highly-budget-conscious civilians.

The problem, in short, is not so simple as a conflict between military and civilian ambition—a conflict which is, happily, largely alien to our society. The real problem is: how can the Department of Defense perform its critical function of "defending the society from the violence and injustice of other independent societies" without, at the same time, affecting adversely the people and institutions it tries to protect?

Not only does our present defense establishment have an operating budget amounting to almost ten percent of the total annual production of goods and services in the United States. Not only does it consume almost half the federal tax dollar. It employs directly 3,700,000 Americans—two-thirds of them in uniform. Indirect employment—of those who depend on defense-related projects for a livelihood-accounts for 6 or 7 million more. These employees, although theoretically engaged in private industry, frequently find themselves involved with government regulations. The children of servicemen stationed at military bases place a burden on local school systems, and in compensating (or supplementing) these school systems, the government becomes involved in processes of education. Defense grants for scientific research can greatly accelerate progress in those areas that have nulitary applications—and inadvertently seduce talent and energy away from the classroom and from other projects equally important, but irrelevant to defense. The list is endless, and the resulting problems seem almost infinitely complex.

There are three problem areas that I have chosen to examine here, both for their intrinsic and their illustrative value: the effects of defense procurement policies on private enterprise within the defense sector, the effects of defense research and development policies on the allocation and use of our scientific and engineering resources, and the effects of defense spending generally on the health of the American economy.

In each of these areas, the impact of the defense establishment is very great. But I propose to argue that present policies have significantly reduced the distorting effects of this impact by giving maximum scope to private enterprise, and that further reductions must be achieved primarily by combined efforts of all the leadership elements, public and private, in our society, to free the resources of private enterprise for maximum performance.

Let us begin with the defense procurement process. The nature of modern war, the complexities and the enormous cost of modern weapons systems, make it inevitable that a large segment of American industry will, throughout the foreseeable future, be involved in a relationship very different from that which exists between, say, the producers and consumers of automobiles. There is only one customer for a new ballistic missile, and, hopefully, no customer at all for out-of-date models.

The economic model of defense procurement is a long way from the model of pure competition. With a single buyer purchasing from a host of sellers, many of whom have no other customers, it is closer to the model of what the economists call monopsony.

As a monopsonist, the Government is free to choose how much competition to introduce into the system. In fact, it has already exercised its first choice in favor of competition by choosing to purchase the development and production of its major weapons systems, rather than to develop and produce them in government arsenals. Military establishments have traditionally relied on an arsenal system for military equipment of a kind which is not also bought and sold within the civilian economy. But as our military equipment has grown more complex—and more nearly unique to the military establishment—we have turned more and more to defense industry to develop and produce this equipment, while systematically cutting back our remaining arsenals. This trend is in fact one of the major reasons for the closing of military installations that has created so much noise and excitement in recent months—and the savings it is producing should demonstrate the wisdom of these moves.

Once the decision was made to rely primarily on private enterprise rather than on government arsenals, the Department of Defense, as the nation's leading monopsonist, had further decisions to make in determining the role of competition and private initiative, as against the role of government prescription. First, to what extent should it select the firms with which it does business by administrative flat, and to what extent should it select them by competition? Here the most significant fact about defense procurement policy is that the percentage of contracts awarded as a result of price competition has increased from 32.9 per cent in fiscal year 1961 to 39.1 per cent in fiscal year 1964—an increase of 5.3 billion dollars in contracts available to competitive bidders on the basis of price.

To what extent should the Department rely primarily on detailed regulation of terms and conditions of work to assure that it gets maximum performance from its contractors; and to what extent should it make use of the stimulus of profit and loss, so that the contractual effort gives greater scope to private enterprise? Here the best indication of the trend is that the percentage of contracts awarded on a firm fixed-price basis, rather than by reimbursement of the contractor's costs and payment of a fee, has increased from 35.5 per cent in fiscal year 1961 to just over 50 per cent in the first half of fiscal year 1965.

When the Defense Department is buying a complicated new weapon system, an airplane or missile, for example, the contractor may be unable to make a fixed-price proposal, because there are too many uncertainties in the process of development that lies ahead. One of the major motivating forces behind many of the improvements in management practices, from functional budgeting to so-called program definition, has been to reduce these uncertainties. In fact, the Department of Defense has gone well beyond other agencies of the Government in tightening up its planning and programming processes. But even where the uncertainties persist, we have had remarkable success in providing built-in incentives by awarding cost-reimbursable contracts with an incentive fee based on cost-saving, time of delivery, and quality of performance, rather than merely a fixed fee. The percentage of contracts awarded on a cost-plus-fixed-fee basis during the 1961-64 time period has decreased from 38 per cent to 12 per cent of total contract awards. It is worth bearing in mind also that even fixed-fee contracts contain real incentives for efficiency, since the fee is not paid until the work is done, and if the job costs more, the fixed fee becomes a smaller percentage of the total expenditure by the contractor.

One of the stubborn facts about a monopsonistic situation is that once the monopsomist has chosen a particular seller, the other sellers are out of market. The losers may try to return to the field when the next contract is ready to be negotiated, but if the contract is for the development of a complicated weapon system, the firm that gets the development contract will have an almost unbeatable advantage when it comes to the production contracts, because it alone will have built up the specialized capital equipment and know-how that the system requires. In order to get back to a competitive situation as soon as possible, defense procurement policies now emphasize breaking out components and spare parts of complicated systems for competitive purchase at the earliest possible date.

The complexity of modern weapons systems raises still another

obstacle to the free operation of the competitive system. One of the essential functions to be performed in developing and producing a new system is that of supervising the integration of all the components, the subsystems and the sub-subsystems, down to the umpteenth level, that go into the final product. To some extent this is a job for internal defense management itself. But to the extent the job can and should be done outside the Department, recent history of defense procurement indicates a good deal of uneasiness among all of the companies involved about giving one company the special access to information about all its competitors, and the special relationship with the government purchaser, necessarily involved in the process of putting the system together. This concern first led to the organization of special non-profit entities, like the Aerospace Corporation and the Mitre Corporation, which were felt to be more "disinterested" than a profit-making company. The recent articulation of new conflict of interest rules, essentially to protect competitors against the danger of any one company acquiring an unfair competitive advantage because of its supervisory role in a new weapon system development, has now made it possible to open up even this supervisory function more widely to profit-making private enterprise.

But all these efforts to extend the scope of private initiative in defense industry are of little value if defense contractors are hedged in by such onerous conditions and restrictions that they cannot use their initiative. Of course, defense contractors are subject to a wide range of detailed regulations, contained in the 2000-odd pages of the Armed Services Procurement Regulation. But it is worth examining the kind of regulations that the ASPR has to deal with.

First, there are the regulations that are necessary whenever any contractual parties enter into a cost-reimbursable arrangement. The definition of allowable costs, particularly in as incredibly complex an endeavor as, say, the development of a new missile, is well worth arriving at in advance of particular controversies, as any lawyer can testify. These regulations are not essentially different from what one encounters in dealings between large private enterprises entirely in the private sector.

Second, there are the regulations that are necessary to maintain not only the fact but the appearance of contractual integrity. The integrity of the government contracting system is even more precious to it and the nation than the integrity of a private enterprise. And government, like Caesar's wife, must be above suspicion. It must not only behave with complete fairness and propriety, but also it must be seen to do so. The remarkable fact is not that there are occasional transgressions, but that, with the enormous volume of

government business carried on largely by relatively underpaid contracting officers dealing frequently with enormous sums, the transgressions are so few.

The third kind of regulation goes to the role of government in setting an example for the nation in such matters as providing a safe place to work, at fair wages and hours, and with equal employment opportunity for all. Those who deal on behalf of the government must meet a higher standard than private citizens. The fact is, however, that the standards imposed in government contracts are not significantly different from those observed by large and visible private enterprises, even when they are operating entirely on their own.

This is not to say that defense contracting is or should be a means to achieve indirectly social goals which the government is not prepared to attack directly. There has been a good deal of general comment about the use of defense dollars to pursue social and economic goals not directly related to defense policy. We can certainly agree with those authors who assert that "the question [of the impact of defense procurement] is one of the highest importance to the American constitutional order, and should, at the very least, be the subject of detailed and continuing studies by all interested in the proper use of power in government." But such studies will be useful only if they address themselves to the real problems, which are not always identical with the a priori assumptions of the investigators.

It has been charged, by various commentators, that decisions are made to procure military supplies for reasons other than national security. We hear that the Defense Department is being run as a WPA for defense industry, that it is being used to further full employment practices, to spur economic growth, or to subsidize certain large corporations. Simultaneously, representatives of some of those same large corporations who are supposed to have the inside track complain that military efficiency is being sacrificed for the sake of subsidies to small business, or to help economically depressed areas.

The one thing all these, and many similar, indictments have in common is that they turn on questions of fact. And the facts are that the sole purpose of defense procurement is, and must be, to provide the weapons and equipment required for our national security—and to do so at the lowest sound price. Every Defense Appropriations Act since 1954 has specifically stated that "no funds herein appropriated shall be used for the payment of a price differential on contracts hereafter made for the purpose of relieving economic dislocations."

^{4.} Miller & Pierson, Observations on the Consistency of Federal Procurement Policies, 29 Law & Contemp. Prob. 277, 284-85 (1964).

^{5.} See, e.g., Department of Defense Appropriation Act, 1965, § 523, 78 Stat. 465.

It is true that there are provisions in the law for set-asides of portions of defense contracts for small business and labor surplus areas. But these set-asides may be made only where there is assurance of sufficient competition to guarantee a fair and reasonable price. Indeed, what seems to me the essential fallacy in current proposals to require contracting officers "to take into account" the amount of work to be performed by prospective contractors in labor surplus areas, is that none of these proposals provide for putting any dollar value on the fact that a contract is to be performed where it will help a particular unemployment problem. And in the absence of a dollar value, contracting officers have no way to give effect to the legislative intent, by weighing this cost against other costs. If, on the other hand, a dollar value were to be provided, the Congress would presumably be unwilling to add those dollars to the defense budget, and the purpose of the proposal would be defeated.

There is a fundamental difference, therefore, between contractual requirements which set high standards of performance for prospective contractors in such areas as wages or conditions of employment, and, on the other hand, expressions of pious intent in contractual regulations that contracting officers should give some weight to a particular social value. I respectfully suggest that the latter condition, while it is scarcely a clog on the contractual process, is of no real practical effect either.

There are two kinds of regulations that have no business in defense contracts, or any other kind of government contract for that matter. The first are unreasonable or wasteful requirements; the second are unfair requirements, which may be substantively justifiable, but where the contractor feels he is not being given appropriate procedural rights. It is the constant effort of defense management to weed out these two kinds of requirements even before they manage to creep into the system. In doing so, we might bear in mind the strictures of Adam Smith on lawyers. Smith wrote:

It has been the custom in modern Europe to regulate, upon most occasions, the payment of the attorneys and clerks of court according to the number of pages which they had occasion to write; the court, however, requiring that each page should contain so many lines, and each line so many words. In order to increase their payment, the attorneys and clerks have contrived to multiply words beyond all necessity, to the corruption of the law language or, I believe, every court of justice in Europe.⁶

The Air Force has recently taken an imaginative step toward identifying unreasonable or unfair requirements by putting out a request for proposals on a particular project in which each prospective

^{6.} Smith, op. cit. supra note 2, at 78-98.

contractor is asked to specify which regulations he would like to have waived, and how much the waiver of each regulation would be worth to him in affecting the contract price. Here is a way of giving the widest scope to private enterprise. What more can a benevolent monopsonist do?

A second area of frequent concern about the impact of defense activity is its impact on the use and distribution of our national resources for research and development. These resources of men and ideas and, particularly in the development phase, elaborate and expensive equipment are the fuel that keeps our economy moving onward and upward. They spark the increases in individual productivity and Gross National Product that measure the health of our economy.

Department of Defense projects, together with those of the National Aeronautics and Space Administration and the Atomic Energy Commission, account for more than half of the total research and development activity in this country. In addition to work done in government laboratories, the defense agencies pay for more than half of the research undertaken in industrial laboratories, and about three-fifths of the work performed in universities and other non-profit institutions. For fiscal year 1965, the Department of Defense will be responsible for two-thirds of all federal support of universities in the field of engineering sciences, and for half of all federal support of university research in mathematics. In the engineering sciences, where the training for a Ph.D. degree now costs at least 100,000 dollars, universities are depending upon defense support in the field of graduate education as their primary support.

Of course, this unprecedented government support for scientific and engineering research has produced benefits that are not confined to defense. The fields of engineering science, physics, chemistry, and mathematics, which receive the greatest share of Defense Department research grants, for example, are precisely those disciplines that have had the greatest impact upon all technologically oriented industry—whether or not defense-related—during the past twenty years.

The present American leadership in civilian jet aircraft production can be traced to advances sponsored by Defense research. In the past decade, few civilian aircraft developments have recovered their development costs without the contribution of defense-sponsored research.

Nearly all aspects of the computer industry have their origins in Defense-supported programs. Beginning with work done by the University of Pennsylvania, Harvard, and MIT, the Department of Defense has provided the basic support for most of the major innovations which have made possible the widespread exploitation of

computers. Similarly, Department of Defense support of the peculiar new variety of mathematics associated with computers has greatly affected both the range of problems computers can deal with, and even the teaching of mathematics itself.

One cause of concern, however, arises from the lop-sided nature of the government's investment. In contrast to the support provided for such fields as engineering, physics, and mathematics, for example, defense-oriented funds account for only three per cent of federal support to universities for the social sciences and two per cent for biology.

This is not to argue that defense funds for research and development should be redistributed more equitably among the natural and social sciences. The distribution of these funds must be determined by the needs of the defense establishment-with adequate attention to the future as well as to the pressing demands created by today's problems. The real problem is not that biologists or social scientists fail to find as much support for their activities from the Defense Department as high energy physicists do. Even within the Government, after all, there are other sources of funds—the National Science Foundation, the National Institutes of Health, the cooperative research programs of many departments and agencies. The real cost to our society of defense-supported research is that the human resources drawn upon for defense are not available for other purposes. Industries like housing and textiles and machine tools, which lag behind the rest of the economy in their investment in research and development, and hence in their productivity, are further discouraged by the vigor of competing claims on scarce research and development resources. The so-called "fall-out" from military research and development is clearly of less benefit to the civilian economy than the full availability of the resources that produced this fall-out. Despite the significant and tangible benefits to the civilian community, we would undoubtedly have obtained much more and at less cost if we had devoted comparable research and training resources directly to civilian purposes.

But prospects for the future are increasingly bright. Barring a major change in the international situation, it should not be necessary to increase the level of defense spending in the years immediately ahead. This levelling off is possible because we are now reaping the benefits of the greatly increased investments in defense over the past four years, and also of the vigorous cost reduction program introduced into the Defense Department three years ago by Secretary McNamara.

Our Gross National Product is now expanding at the rate of some five per cent each year. Thus, without a reduction in our military force structure, if defense spending can be kept to the same dollar level as today, it will represent a smaller and smaller proportion of our annual production of goods and services. And while the Defense program has held down the number of scientists and engineers available for non-defense purposes in the past, it also has contributed substantially to expanding the training of scientists and engineers through the support given to universities and students. They will constitute a significant base on which to build in the future.

The real challenge is to the non-defense sector of our economy to marshal the human and material resources so that we can make the same kind of technological progress in the key non-defense areas that has been possible in missiles and radars and nuclear propulsion.

This challenge leads us to our third problem area, the impact of defense spending on the health of the economy.

The argument is often advanced that our current prosperity depends on the continued maintenance or even the expansion of a 50 billion dollar defense budget— a budget that has been plowing some 20 billion dollars of procurement into the economy every year for the last four or five years. This concern would surely be justified if a gradual reduction or even levelling off of the defense budget were not accompanied by any increase of spending in other sectors of the economy, public or private. I cannot believe, however, that the tremendous unmet needs for more and better education, housing, transportation and other social services cannot more than take up any slack in the economy resulting from a levelling off of defense expenditure. Whether they do so in fact will depend in large part on the skillful management of fiscal and monetary policies in pursuit of the goals of the Great Society.

But even if the slack is fully taken up, there are problems of transition that remain a special concern of the Department of Defense. Whenever a contract is terminated, whenever procurement of a particular piece of equipment is abandoned, whenever a base is closed, people will be changing jobs, equipment will be idled, at least temporarily, and local merchants will lose customers.

Indeed one can argue that defense contractors should be more concerned about specific shifts in defense spending, rather than about the overall trend in the defense budget. Because if there is a shift away from a particular product or service, it is cold comfort for the contractor to know that another part of the defense budget may be increasing, perhaps even by a larger margin than the decrease in his area.

The Defense Department has taken several steps to reduce the impact of shifts in defense spending. It is in the process of establishing

a kind of early warning system, first to measure more accurately the impact of defense spending on industry by type and even by location, and then to predict, at least in a general way and subject to the vagaries of competition, what the effect of anticipated changes in defense spending will be across the spectrum of the economy. It has also established an Office of Economic Adjustment, specifically designed to help communities and, to some extent, industries which are hit by contract cancellations or base closings, and to mobilize all the resources of federal, state and local governments to help the victims to get back on their feet economically.

The fact is, however, that too many defense contractors tend to think of themselves as having only one potential customer—the Department of Defense. They reject the idea of diversification as beyond their capabilities. And this may be so. One of the virtues of our system is that it is fiexible enough to permit the break-up of some industrial entities and the formation of new ones as a part of the process of economic change. Thurman Arnold's famous essay on the virtues of bankruptcy is in point here. But I suspect that some of these companies have more inherent flexibility than they are willing to give themselves credit for.

A large aerospace company, for example, is not only an aggregate of teams of specialists in building airplanes and missiles. It is also an aggregate of teams of specialists in putting together very complicated systems, composed typically of many layers of subsystems, subsubsystems, and so forth. The industry has even coined a word for the process of joining systems: it is called the interface problem. There are problems outside of national defense, for example, in designing an urban and interurban transportation system, or a better mass education system, to which many of the techniques of defense industry, in dealing with complex interfaces, could well be applied. Most of these problems lie in the public sector, and they must attain quite a respectable size to be appropriate for the kind of handling—and, some would say, the kind of overhead—that defense industry is accustomed to provide. But they exist, and they ought to be looked at by defense industry managers.

There is a good deal of current debate about the future of defense industry. Some of the more optimistic suggestions have a disturbingly utopian tone to them.

The fact is, however, that some defense firms have made at least tentative moves to diversify into the non-defense sector. Aerojet General, for example, has recently entered into a 100,000 dollar con-

^{7.} Arnold, The Folklore of Capitalism 230-62 (1939).

tract with the State of California to develop long-range plans for air and water pollution control.

At the same time, it is worth bearing in mind, as Gardner Ackley pointed out recently,

It is probably correct to say that our national goals do not include nor even imply the preservation of particular companies. If defense firms can successfully diversify or convert the productive resources they presently employ to civilian production whenever the demand for their defense products declines, these firms can and should maintain their present scale of operations or continue to grow. But such firms have no particular claim to maintain their present size.⁸

To suggest otherwise would threaten the integrity of the free enterprise system.

The important thing is that the resources of labor, of scientific and engineering talent, and of capital, continue to be available for new purposes.

My main point here, as in connection with the other two problem areas I have discussed, is that the responsibility for absorbing the impact of defense spending on the health of the economy must be shared by the managers of private industry itself, as well as by all departments of the Government.

Lastly, a word about the role of lawyers in maintaining the delicate balance between the demands of national security and the vision of the Great Society.

It may well be that our ability to be simultaneously both the freest people and the greatest military power in history results in large part from an ingrained reverence for due process and orderly procedure. For more than two decades, we have maintained a military establishment which is both huge and ubiquitous—reaching, as we have seen, into almost every corner of American life—and yet we are not a garrison state.

The American Revolution has been called a lawyer's revolution. Certainly, even a cursory reading of the Declaration of Independence and the first ten amendments reveals a lawyer's concern with procedure. As Justice Douglas has written:

It is not without significance that most of the provisions of the Bill of Rights are procedural. It is procedure that spells much of the difference between rule by law and rule by whim or caprice. Steadfast adherence to strict procedural safeguards is our main assurance that there will be equal justice under law.⁹

^{8.} Address by Gardner Ackley, Chairman of the Council of Economic Advisers, New England Conference on Opportunities and Problems of Defense Conversions, Boston, Mass., September 21, 1964.

^{9.} Joint Anti-Fascist Refugee Comm. v. McGrath, 341 U.S. 123, 179 (1951) (concurring opinion).

As in the political sphere, so in the economic sphere the key to workable relations is due process, not only recognizing the rights of the parties, but giving scope to the potentialities of individual enterprise and energy on which all progress depends.

And lawyers are above all the guardians of due process. As legislators, as judges, as officers of the court, we are charged to apply the powers of reason to the reconciliation of conflicting interests so that men can work, not against each other, but together towards our common goals.

President Johnson described this process as well as anyone has, when he told us in his Inaugural Address that the Great Society is "the excitement of becoming—always becoming, trying, probing, falling, resting, and trying again—but always trying and always gaining."