

File - "Military" in Tiger Drawer

EX-MILITARY MEN GAIN IN INDUSTRY

Defense Jobs Tripled in 10 Years, Proxmire Says

By ROBERT H. PHELPS
Special to The New York Times

WASHINGTON, March 22— Senator William Proxmire issued a report today showing that the number of retired high-ranking military officers working for the defense industry has tripled in the last 10 years. "This is a most dangerous and shocking condition," the Wisconsin Democrat said in a statement. "It indicates the increasing influence of the big contractors with the military and the military with the big contractors."

Asked about the report, a Pentagon spokesman pointed to a thick book of directives, the most important of which prohibit a retired officer from selling products to his former department for two years after leaving the military.

Industry officials said they were cognizant of possible conflict of interest by retired military officers and were careful to keep men on their payrolls from being involved in such situations.

2,072 in Industry Posts

Mr. Proxmire's study, made with the cooperation of industry and the Pentagon, showed that 2,072 retired military officers of the rank and colonel or Navy captain and above were employed by the leading military contractors.

A list prepared in 1959 for Paul H. Douglas, then a Democratic Senator from Illinois, counted 721 retired military officers working in the top 88 defense industries.

Insisting that he was not questioning "the integrity or the goodwill" of retired officers, Mr. Proxmire said he was alarmed "because I believe that the trend itself represents a distinct threat to the public interest."

"The easy movement of high-ranking military officers into jobs with major defense contractors and the reverse movement of top executives of major defense contractors into high Pentagon jobs is solid evidence of the military-industrial complex in operation," Mr. Proxmire asserted.

'Threat to Public Interest'

"It is a real threat to the public interest because it increases the chances of abuse, particularly when coupled with

a system of military procurement which permits almost 90 per cent of all military contracts to be negotiated rather than awarded on a formally advertised competitive basis."

Mr. Proxmire also saw a "subtle effect" on officers still in the service.

"How hard a bargain" he asked, "will officers involved in procurement, planning or specifications drive with con-

tractors when they are one or two years from retirement and have the example to look at of over 2,000 fellow officers doing well on the outside after retirement?"

The top 10 defense contractors and the number of former military officers employed by each were listed as follows by Mr. Proxmire:

- General Dynamics Corporation, 113.
- Lockheed Aircraft Corporation, 210.
- General Electric Company, 19.
- United Aircraft Corporation, 48.
- McDonnell Douglas Corporation, 141.
- American Telephone and Telegraph Company, 9.
- Boeing Corporation, 169.
- Ling-Temco-Vought, Inc., 69.
- North American Rockwell Corporation, 104.
- General Motors Corporation, 17.

'A Careful Eye'

Reached by telephone, Roger Lewis, president of General Dynamics, the largest defense contractor in the country, said that because the subject was so sensitive he kept his own "careful eye" on the hiring and use of former military men.

Mr. Lewis, whose company last year held \$2,239,339,000 in defense contracts, said:

"We realize we must be like Caesar's wife, above suspicion, and so we use common sense in selecting our employes and good administration in using them."

Military men, like others, are not hired unless their potential to the company is long-range, he explained, and once on the payroll "we require them to live up to rules that are tighter than the Pentagon's."

Of the 113 former military officers employed by General Dynamics, 22 worked for other companies before moving to their present jobs. Mr. Lewis said he did not think this was a very large number among 103,000 employes.

A spokesman for General Electric said G.E. lived up to the law in restricting the use of former Pentagon employes, but he asserted that the company did not want to "discriminate against a man just because he had been in the military."

Boeing said it, too, was careful to follow Pentagon regulations against conflict of interest.

Mr. Proxmire's statement was the latest in a series in which he has called for a closer scrutiny of defense spending.

Indiana Buys Army Land

WASHINGTON, March 19 (AP)—Sale to Indiana of a 5,409-acre portion of Camp Atterbury for use as a state park was announced yesterday by the Interior Department and the General Services Administration.