

Matter Of Fact . . . By Joseph and Stewart Alsop

Atomic Age Defense or Balanced Budget?

AN IMPORTANT faction within the Eisenhower Administration is determined to sacrifice a serious American defense effort in favor of a balanced budget. For the time being, moreover, this faction appears to have the President's backing. These conclusions are very clearly suggested by a hitherto undisclosed and highly significant exchange of letters between the Budget Bureau, the Defense Department, and the White House.

Before Congress adjourned, Budget Director Joseph Dodge sent a form letter to Defense Secretary Charles Wilson. The meat of this letter was contained in the following paragraph:

"The fiscal year 1955 budget will have to show further substantial reductions from the fiscal year 1954 revised figures. These reductions will have to be at least equal to and may have to be greater than those already made in the fiscal year 1954 budget."

Wilson mulled over the Dodge directive for a couple of weeks, and then sent a reply. He pointedly reminded Dodge that "the Congress was informed by both the Secretary of Defense and the President that . . . the new Joint Chiefs of Staff would make an intensive and detailed study of all aspects of defense . . . Until the completion of the review of the military plan by the Joint Chiefs, it would appear undesirable to make an estimate as to the amounts required . . ."

WITH THIS POLITE but firm rejoinder, Round One apparently went to Wilson. Round Two started when Wilson received a second letter, this time from the President himself, shortly before the President left on his vacation. This letter closely followed the Budget Bureau line—indeed, was almost certainly drafted

by Dodge for the President's signature.

Like the Dodge letter, the President's letter told Wilson to "reduce current expenditures"—this being official language for stretching out defense spending. The letter urged Wilson to "correct" those Defense Department practices which had been criticized in Congress. Finally, the Eisenhower letter also called for reductions in the forthcoming defense budget "beyond those indicated for fiscal 1954."

Wilson dutifully circulated this letter to top officials in the son's famous stubbornness can be a virtue and he repeated in his covering note that the presidential letter meant "no change" in defense planning, until after the new Joint Chiefs had completed their review.

To judge from his response to both letters, Wilson is more aware than he once was of his grim responsibilities as Secretary of Defense. At any rate, Wilson clearly lost Round Two, since the President's letter uncompromisingly backed the line taken by Dodge in his original directive.

It is important to understand what defense cutbacks "beyond those indicated for fiscal 1954" would mean. The reductions already made in the current defense budget come to well over six billion dollars, the great bulk of its money from the Air Force. A similar reduction from the current level would mean a defense budget of around 23 billion dollars.

DEFENSE "HOUSEKEEPING" outlays alone—keeping the men in the armed forces paid and fed and clothed and transported—now runs to about 22 billion dollars a year. This cannot be much reduced without greatly reducing force levels. A 23-billion-dollar defense budget would thus hardly be

sufficient to keep procurement of aircraft and other "hard goods" ticking over.

This is so even if unexpended balances were heavily drawn on—which would knock subsequent budgets out of kilter. To take one example, a 23-billion-dollar defense budget would probably mean accepting an air strength level of about 85 groups, as against the 143 groups which the Joint Chiefs only last year laid down as the minimum requirement for American air strength. A defense budget of about 23 billion dollars, in short, simply will not permit any kind of real defense against the steadily growing Soviet air-atomic capability.

The Dodge and Eisenhower letters were, no doubt, more an expression of a fervent hope than a firm declaration of intentions. Yet they suggest the kind of pressures under which the new Joint Chiefs are operating, as they proceed with their "new look" at our defense levels.

There are, however, at least two factors which are operating against this pressure for a balanced budget at almost any cost. One factor is the Soviet hydrogen bomb, which had not been tested when the new chiefs were appointed, or when Dodge and the President wrote their letters to Wilson. Another factor is a new and careful study of our strategic situation, in the light of the Soviet air-atomic threat.

This new study, which will be considered in a forthcoming report in this space, is the last of a series, all of which point, not to less spending for our defense, but more. These two factors are certain to weigh very heavily with the Joint Chiefs. They are also certain to weigh very heavily with President Eisenhower, on whom the awful responsibility of making the final decision rests.