

***Inflation — and too many misspent billions —
may cause our destruction***

How Stalin Can Win

Bonner Fellers

JUST BEFORE HIS DEATH Lenin predicted that some day “the United States will spend herself into destruction.” Are we now moving toward the fulfillment of this prediction?

Our Government has made world-wide commitments which, if not curbed, seem likely to wreck our economy. Since World War II, through the fiscal year ending June 30, 1952, the Federal Treasury will have disgorged two-thirds of its entire income for defense and foreign aid. Because of the lag in production, not quite all of *this year's more than one hundred billion dollar budget* can be spent. Nevertheless, appropriations actually exceed calculated income by \$38 billion! Our fabulous

spending program, with its resultant inflationary impact, has led us to a sinister paradox. The more we spend to contain Communism, the more we further its primary objective — the collapse of capitalism.

There has been a sharp rise in requirements for defense and foreign aid. During the fiscal year 1951, these two items demanded nearly \$25 billion — 57 per cent — of the \$45 billion budget. For the current fiscal year, defense and foreign aid account for \$77 billion — 75 per cent — of our unprecedented budget.

For the fiscal year 1952, the Army, Navy, and Air Force each planned an expansion to roughly one-third its World War II peak strength. The Army asked for twenty-seven divisions, equipment for an additional twenty-four and a total of 1.6 million men. The Navy contemplated a strength of nearly a million men, and the reactivation of *half* its twenty-eight large carriers.

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The Air Force set its sights for ninety-five groups and a personnel strength of slightly more than a million. These expansion costs were estimated at \$105 billion.

The Under-Secretary of Defense, however, required the three services to reduce the scope of their programs by some 30 per cent. But this enforced curtailment did not prevent the development of new plans for future expansion.

For the fiscal year 1953, President Truman and the National Security Council have approved 27 regular divisions for the Army; 16 large and 16 small carrier air groups, three Marine divisions with three air wings for the Navy; and 126 combat air wings for the Air Force. The total strength of the Armed Forces is to be 3,800,000 men.

THERE ARE OTHER MEASURES entailing great expenditures, some of which are difficult to assess:

The indeterminate cost of the war in Korea is not included as an item in the '52 budget. For this, a supplemental budget will be submitted early in 1952. President Truman has pledged Korean rehabilitation; possibly a minor portion may be borne by other UN members. This fiscal year our foreign aid — \$7.3 billion — mostly for North Atlantic Treaty Organization is equal to the total defense expenditures of all other NATO powers. It has been disclosed that we shall be asked to

give a total of \$40 to \$45 billion military and economic aid to NATO during the next three years. In view of Britain's new economic crisis, Mr. Churchill will ask for something like a billion dollars annually. France also has been promised additional dollar aid. Following the British reluctance to furnish troops for Europe, there was put forward at the NATO Rome Conference the American plan for 12 West German Divisions with an estimated first year cost of \$14 billion. Security guarantees and military aid, in the shape of the Atlantic Pact commitments, have been made with Pacific powers; similar agreements are being considered for the Middle East and South Asia.

At home we face additional staggering expenditures:

The over-all Civil Defense program requires \$6 or \$7 billion additional funds. Senator McMahon has urged a military atomic development to cost \$6 billion. When implemented, UMT will cost an annual \$4 billion. The initiation of an \$11 billion naval construction and conversion program — including super-carriers — has been authorized. Finally, normal expenses for civil government — including \$5.7 billion interest on the national debt — continue to average about \$25 billion a year.

As it now stands, *this year's defense and foreign aid expenditures are three times those of last year!*

The late Kenneth S. Wherry, when a member of the Senate Appropriations Committee, estimated that "we will have for the current year, 1952, appropriations which total \$105 billion." And that the 1953 budget "will far exceed in appropriations the figures I have given for the fiscal year 1952."

Added to this, the over-all fiscal position is aggravated by the national debt of \$258 billion which is twice the total national debts of all European powers, except Russia.

Meanwhile increased taxes are lifting the Federal income. This year the Government calculates to tax the people \$64 billion. The burden which this tax imposes reflects in the eighteen million delinquent tax notices which the Government estimates it will send out for 1952.

If this year's \$102 billion budget were actually spent, the average obligation for each of the forty million American families would be \$2550. Treasury estimates place the national gross income (for the current fiscal year) at \$300 billion, which if distributed equally among families would amount to \$7500 each. Were we to pay as we go, 34 per cent of the gross income of each family would be taken by direct and indirect Federal taxes. State and local taxes amount to an added 7 per cent — a total tax of 41 per cent or \$3075 a year for the average family.

Mussolini took 40 per cent of his

peoples' income; Hitler took 50; Stalin takes about 70. By moving into the dictator's tax scale, we are fulfilling the Karl Marx prescription: "There's only one way to kill capitalism — by taxes, taxes, and more taxes."

Since no American administration could stay in power and exact 40 per cent of the peoples' gross income, our Government is turning from the dictator's extortion to deficit spending. As the deficit mounts, the inflation curve rises — till it shoots skyward like a rocket.

THE UNMISTAKABLE SIGNS of inflation are already upon us. Last May 29, General Marshall told the Congress: "The loss of guns, tanks, and planes through creeping inflation is just as damaging to national security as if they had been destroyed in battle or captured by a more visible and concrete enemy." He also said that during 1950-1951 inflation has taken from the military establishment about \$7 billion of the \$35 billion which had been voted by the Congress for rearmament.

Before World War II it cost \$20 million to equip an infantry division; now it costs \$91 million. A B-29 Bomber in World War II cost \$650,000; its replacement model, the B-47 Jet today costs \$1,800,000. In World War II the medium tank cost \$80,000; its replacement model now costs \$170,000. The 40 mm World War II anti-aircraft gun cost

THIS IS WHERE YOUR MONEY GOES!

For Fiscal Year — Ending June 30, 1952

Defense Appropriations:*

Army.....	\$23	Billion
Navy.....	17	“
Air Force.....	22	“
Mutual Security (Foreign Aid).....	7.3	“
Military bases.....	4	“
Atomic Energy.....	1.4	“
Other defense items.....	2.5	“
	\$77.2	

Civil Expenditures (Approximate)

Interest on debt.....	\$ 5.7	“
Veteran Administration.....	6	“
Normal Government Agencies.....	13.3	“
	\$25	

Government calculated income
from taxes..... \$64 Billion

Cost of War in Korea NOT Included.

*Congressional Record, Nov. 9, Pages A-7145-6

\$50,000; its replacement model, the skysweep 75 mm, now costs \$300,000. The M1 rifle in World War II cost \$63; it now costs \$95. In fairness, it should be added that the new weapons are superior to the old ones.

Every family in America is feeling the pinch of inflation. We are being told that controls will make everything all right. Lenin understood the power of inflation in the establishment of a collective state when he said, "If I can control the currency of a country, I don't care who may control the army."

Controls will never halt inflation so long as Federal deficits continue. Throughout World War II, every control considered necessary was invoked. Yet the purchasing power of the dollar declined 40 per cent. The dollar can retain its value only if Federal spending is limited to Federal income.

Americans will not long endure the regimentation and the monstrous tax burden already in prospect. It is folly to abandon our indigenous free enterprise system which has made us great, to copy the collective state which has made Europe decadent.

Nevertheless, compelling and patriotic appeals are made for deficit spending. We are told that since our peril is great, defense must be purchased now, no matter what the cost. We are urged to trust our military leaders. *Yet, in spite of their ten-*

digit military spending we are not getting security.

OUR POSITION IN KOREA remains precarious. There, Red ground and air forces are numerically far stronger than our own. In jet fighters the Chinese Red Air Force outnumbers us in the ratio of seven to one. Stalin can scarcely be dissatisfied with his first satellite war.

In Europe, even the proposed sixty Allied divisions will not impress Stalin. He already has sixty satellite divisions in Central Europe which he could back up, as he chooses, with 200 to 500 divisions of the Red Army. The Red airborne and paratroop forces each totals 100,000 regular troops. If war comes, the Red Air Force, initially, will dominate European skies.

With German technical assistance, Russia is methodically and doggedly building a great Air Force.

Just as our military experts were astonished at the Red Army resistance in the last war, they may be appalled at the effectiveness of the Red Air Force in the next.

Cold, calculating Stalin — fully aware of the potency of air power — is unlikely to start a war until he feels sure of victory in the air. The corollary is important: *If America achieves air supremacy, there may be no war!*

Pentagon planners, however, fail to grasp this significance. They are neglecting to build air supremacy.

In spite of the billions we are spending, our home defense is being neglected. While our superior fleet can prevent major ground and sea attacks against the United States, our population and industrial centers are within range of Red Air Force strikes. Under the present ninety-five-group Air Force program, according to General Vandenberg, the interceptor defense of the United States is inadequate. In a total war, our present strategic bomber command, for want of aircraft replacements, would be expended in a few months.

The much-talked-of radar warning system is neither a barrier nor a screen. Its establishment is progressing, but at best it can give only one or two hours' notice of impending attack.

In Europe, provision for air defense is even less adequate than for land defense. The Red Air Force, of some 20,000 combat planes, could flatten European cities *without a land invasion by the Red Army*.

An estimated minimum of 10,000 Allied planes would be required to neutralize the Red Air Force. The bulk of Britain's aircraft is needed at home. Aircraft production of other Atlantic Powers is negligible. If Europe is to enjoy air cover, the United States will have to provide the major portion. There is no such provision in our Air Force budget.

Our concept for the land defense of Europe is basically faulty. In

peace time free peoples of the West can never match, numerically, the vast standing armies recruited from enslaved populations of the East. It costs \$10,000 per year to maintain one American soldier, exclusive of his weapons. It costs Russia only a fraction of that amount to maintain her soldiers and to produce weapons; everyone works for the Government anyway. Russia will always enjoy a pronounced numerical and economic advantage over us in providing ground forces.

To challenge Communist expansion successfully with ground forces, we have only two alternatives—continue present spending and collapse our economy or collectivize our Government in order to abolish free enterprise prices and salaries.

Nevertheless—come what may—*we dare not permit Russia to add air supremacy to her ground force advantage*.

IS THERE NO WAY OUT OF this seemingly impossible situation? Certainly there is. *It lies in a new over-all military strategy*.

Four momentous developments have dictated the necessity for strategy revision:

1. World War II upset the world's balance of power. In that war Allied populations outnumbered those of the Axis in a seven to one ratio. Today, Moscow-dominated populations number eight hundred million; the population of NATO powers is

three hundred million. In manpower, we are on the short end of an eight to three ratio.

2. Since V-J Day, air power has increased its effectiveness. Our strategic bombers now fly twice as fast, three times as far, and twice as high as the B-29, the best World War II bomber. Intercontinental bombing is practicable.

3. The atomic bomb dropped on Hiroshima was the equivalent of 18,000 tons of TNT. The one dropped on Nagasaki was the equivalent of 27,000 tons of TNT. Our latest atomic bombs — now available in quantity — are the equivalent of 100,000 tons of TNT. (During the present tension, it would be calamitous for our leaders to bargain away this advantage in atomic weapons).

4. Stalin's vulnerability has been augmented by the rising resentment of his enslaved population against inhuman Kremlin tyranny.

IN OUR NEW STRATEGY *Allied numerical disadvantage in manpower can be compensated only by American supremacy in the air and in atomic weapons.*

Strategic air power is recognized today as the principal war deterrent. This fact has been stressed repeatedly by Mr. Churchill. The late Secretary Forrestal wrote in his diary: "The chief deterrent to war is the threat of immediate retaliation with the atomic bomb."

If war comes, just as Japan's industry and Germany's synthetic gasoline and rubber production were demolished by strategic bombing, Russia's industry likewise can be destroyed. This destruction can be accomplished from bases which we can hold in America, England, Spain, Africa, and island bastions off the Coast of Asia. Denied support of Russia's war industry, the effectiveness of the Red Forces would deteriorate rapidly even if Europe were overrun.

Air power must be our pre-eminent weapon against Russia. The Army and Navy should be powerful supporting arms to protect and supply the bases from which air power is unleashed. In keeping with this new role, Army and Navy expenditures should be greatly curtailed.

If the National Guard is maintained as at present, the Army could safely limit its strength to some sixteen highly mobile regular divisions. This would give us four more regular divisions than now exist. Our token forces in Europe are a morale builder to stimulate rearmament. But if the Red Army strikes, their mission will prove to have been "pump priming" with American lives.

The power of the Red fleet — *except for submarines* — is negligible. Our Navy which is *already in being* could safely limit its activities to the development of anti-submarine techniques and to keeping in instant readiness.

By 1954, the present Army authorization of \$23 billion and that for the Navy of \$17 billion, each should be gradually cut in half. These reduced figures would still enable the Army and Navy, under the new strategy, to fulfill their missions with their traditional effectiveness and esprit de corps.

To achieve American air supremacy will require an increase from the present \$22 billion to an annual expenditure of \$30 billion for four or five years. After air supremacy is achieved, the \$30 billion expenditure can be materially reduced.

American air supremacy, which is the maximum war deterrent against Russia, would enable us to reduce foreign aid. *UMT, of course, would be unnecessary.*

A full-scale psychological campaign, using the existing anti-Communist Russian underground to drive deeper the wedge between the Kremlin and the Russian people should be launched immediately. Once their hatred of the Kremlin crystallizes, Stalin cannot depend upon his people to support a war.

This new military strategy would be most likely to prevent war. It would soon enable us to pay as we go. It would defeat inflation.

Since the Air Force is the only arm which can strike Russia's war potential, this reapportionment of funds would actually strengthen our military position, and thus extend more rather than less aid to our

Allies. It is the best possible implementation of our treaty obligation.

THE QUESTION arises: Why then don't our Pentagon chiefs adopt this new more economical and effective strategy?

Unfortunately, events have demonstrated that it is impossible for the three Chiefs of the Armed Forces to evolve a new strategy. Each Chief, because of understandable loyalty, instinctively fights for the best interest of his own service.

No Chief can down-grade his service and survive. If he agrees to a strategy which assigns a supporting role to his own arm, his brother officers turn against him. The situation could be alleviated by lifting the ban on personnel transfers from one service to another. This would permit varying the relative strengths of the services to meet changing conditions without damaging professional careers.

Beneath the surface there is no basic unity among the Joint Chiefs of Staff. Agreements are reached only through compromises, which result in prohibitive expenditures and faulty strategy. Military expenditures occupy such a colossal portion of our budget that they must be pared to prevent disaster through inflation. Rigid economy in civil expenditures is not enough.

Our resources do not permit us to continue lavish foreign aid, to create a massive army, to expand the

fleet, and at the same time build air supremacy. Yet, if the Air Force is not permitted to establish air supremacy, the security of the United States and Europe will be imperiled.

In this dangerous situation, each of the three Chiefs rightly insists that his arm be maintained strong enough to discharge its responsibilities. These responsibilities each Chief naturally interprets as the major factor in total war. Higher authority should prescribe a master strategy which assigns to one arm the pre-eminent role and to the other two supporting roles.

Up to the present, agreement reached has resulted in a division of the military budget somewhat equally among the three services. This division is known as "balancing the forces." *There was never a greater misnomer or a more mischievous deception.*

Forces can be balanced only against the enemy. We must plan to avoid and by-pass enemy strength while we strike his weakness with all our might.

Against Russia, this means we must avoid the full weight of the Red Army. We must exploit our greatest strength — our genius and ability to achieve mastery of the air. Against overwhelming air power the vast Red Army would be helpless to prevent the destruction of Russia's war making industry.

It is the responsibility of the Secretary of Defense to evolve this new

strategy. General Marshall's strategy always depended upon a massive ground Army with Air and Navy support, but with dollars he balanced one arm against the others in an effort to keep everybody happy. There is no indication that his successor, Mr. Robert A. Lovett, will modify General Marshall's basic concept.

THE BEST immediate hope in this critical situation is for Congress boldly to take the lead. Under the Constitution the Congress is empowered "to pay the debts and provide for the common defense." As a suggestion, it could appoint a commission which might consist of our ex-President, five Senators, five Representatives, and all officers of five-star rank not assigned to active duty. The commission should be instructed to determine a defense program for which we can pay, one that will deter war, or win if war comes.

This commission could hear the experts. It could weigh the evidence and evolve a specific strategy to meet our unprecedented economic and military challenge.

Unless the American people — through their representatives in the Congress — demand *now* a solution to this most pressing problem, disaster will be upon us.

We can lose to Stalin, even without war, if government spending continues so greatly to exceed our national income.

THE EDITORS INTRODUCE . . .

James Hines

JAMES HINES' short story, "Will Whomper's Last Sermon," marks THE MERCURY's introduction of what we feel to be one of the country's most promising and sincere natural writing talents. For a closer view of the young author, we let Mr. Hines speak in his own words. . . .

"I am twenty-four years old. Now at present I am working in the Chicago Steel Mills where I have been for two years, writing in my spare time. I plan on writing a book about the steel mills. I am building me a little writing place back in Horse Branch, Kentucky, where I was born, and I plan on going back there and devoting my time to writing.

"I spent the first sixteen years of my life in the Kentucky hills. I ran away from home or my father kicked me out. My father can't read or write. My grandfather can't read or write. And they didn't like my reading. They said I was lazy. I was in Evansville, Ind., Chicago, Atlanta, Memphis, Los Angeles. I worked in Hollywood, a minor judge on a Heart's Desire radio program, also in California clearing forest trails. I worked as an electric welder, bolt and nut machine operator, deck-lay

man, blueprint-clerk, and a number of other jobs in the Steel Mills.

"I attended the University of Kentucky for almost two years and left without money and without grades. I took night classes in night school here and there. I went to the library. I got my first typewriter when I was thirteen years old, worked in the lumber camps and worked in hayfields to pay for it. I suppose I've always wanted to be a writer, to write, and have always done this. I believe education is where you find it. I was in the army for a while. I have traveled around by train, by bus, by plane, by boat, and hitch-hiked and hopped freight trains.

"I took a short course in Creative Writing under A. B. Guthrie, Jr., at the University of Kentucky. Guthrie said I was no good and he gave me a C in his course. He did admit that I'd come someplace, go someplace, but he didn't see how I managed to do it.

"I've had an interesting life. I've written some stories that have appeared in the Western and farm magazines, not anything important. I feel swell-headed having a story in THE MERCURY."