article from the January issue of the Missouri Farmer, entitled "Lespedeza Was Good News From Korea Back in 1922":

LESPEDEZA WAS GOOD NEWS FROM KOREA BACK IN 1922

From a thimbleful of seed planted at the Missouri Agricultural Experiment Station in 1922 by Dr. W. C. Etheridge, a hundred million dollar crop revenue has resulted for Missouri from Korean lespedeza. Dramatic instances have happened before, but none more so for Missouri agriculture than the story of the expansion in acreage of lespedeza on farms over the State.

In 1921, a specimen of this wonderful weed seed was obtained in Korea by a party who sent it to the United States Department of Agriculture Bureau of Plant Industry. This sample of strange seed was first sown at the United States Department of Agricultural Experiment Station at Arlington, Va. It grew and reproduced seed abundantly, which is the prime essential of any forage crop. But still little was known of this squatty legume, which was considered as a weed in Korea.

When this fabulous thimbleful of seed was planted in the spring by Dr. Etheridge it made lush growth during the summer months of 1922. Of course, this caused a quickened interest by all concerned, but experimentation was only in the process of beginning. The matured vines were pulled up in late October, and the precious seed was threshed in a miniature threshing machine. About a pint or so of the seed was recovered, and this was saved with growing hope.

PLANTED IN 1923

In the spring of 1923 all of this seed was planted. It was noted on last year's acreage extensive volunteer growth of this annual plant was present, thus proving the ability of "natural reseeding." Then there was discovered an enormous number of bacteria nodules on the last year's root systems. Ordinarily, seed of other legumes must be inoculated, but here was a legume that quickly associated itself with nitrogen-fixing bacteria. This was called natural inoculation, and another spoke was added to the rapidly turning wheel of Korean lespedeza.

A sharp May frost in 1923 was fatal to the clovers and it damaged the lespedeza stand, but it came back to grow on with vigor through the hot summer months. Here was a pasture crop that would stand late spring freezes and withstand the hot dry months which ordinarily checked the growth of all other pasture crops. In 1924 a mixture of lespedeza with oats was sown to see if the two crops had an affinity. The oats were harvested for their grain and the lespedeza was cut for hay. Experiments proved that the protein content was practically the same as alfalfa and that stock liked this little legume and there was very little stemmy waste to the hay.

A NOBLE EXPERIMENT

In 1925 a quarter of an acre was sown to lespedeza and two thin yearling heifers were borrowed from the animal husbandry department. It was not known at this time if in its growing state that the plant might be poisonous to animals. The plot was fenced off, pipes were laid to furnish water, and the two heifers were weighed in. Tremendous gains were achieved, proving that as summer pasturage lespedeza surpassed all other crops grown in Missouri.

Five-pound lots of seed were sent in 1927 to some 60 farmers throughout the State. Questionnaires were provided with the sample lots, so that a fairly representative account could be made of the practicability of this legume in various sectors of the State. It is needless to say that the reports were more than satisfying. From that date until now, lespedeza has spread like a tidal wave all over Missouri. Now it is being grown on 10,000,000 acres of farm land, either double-cropped or in single stands. This is twice the acreage of all corn grown, and twice the combined acreage of all wheat, oats, rye, and barley being grown in the State. Estimating at a very conservative sum of $10 return profit from each acre of lespedeza grown, it can be ascertained that a hundred million dollar business has resulted from this chance planting in 1922.

HERE'S WHAT IT'LL DO

To briefly sum up the attributes of lespedeza: it will grow on medium to poor soil, but will respond to fertile soil and soil treatments as well as any other crop; will provide succulent grazing during the summer months of July, August, September, and the first half of October, when no other pasturage will grow and produce equal feed value. It will reseed itself naturally, and will fit in nicely with crop rotation methods advocated in any balanced farming program. There are many other assets of lespedeza which are of equal importance, but which must be adapted to the individual farmer's needs.

The first bad drought in recent years was in 1932. At this time, approximately five or six thousand acres of lespedeza was in stands in Missouri. This drought proved the real worth of lespedeza on a large scale as a dry-weather plant. Then, there were the droughts of 1934 and 1935, but by this time lespedeza had become an institution rather than an experimentation.

NEWER LEGUMES

Since 1946 there has been a downward trend in acres established to lespedeza. A peak acreage of 10,702,440 acres was reached in 1946 and the 1949 acreage was 10,126,455. This shift in land utilization has come about through the increased popularity of other legumes such as ladino, birdsfoot trefoil, hairy vetch and increased acreages of land seeded to alfalfa and red clover.

But, with the ever-increasing menace of soil erosion, lespedeza will become a more vital asset to Missouri hill farmers. There is easily room for 10,000,000 more acres of this legume in the State. Land which now is practically wasteland due to erosion and poor crop management, could well be seeded to lespedeza as the first step in reclaiming the land. It alone cannot return the soil fertility which has been mined and leached from the soil, but should be used as a link between other crops and soil treatment.

The Treasury-Federal Reserve Dispute

EXTENSION OF REMARKS

OF

HON. A. WILLIS ROBERTSON

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, February 12 (legislative day of Monday, January 29), 1951

Mr. ROBERTSON. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a copy of a thoughtful discussion by Mr. Aubrey G. Lanston, president of the Aubrey G. Lanston & Co., Inc., of the Treasury-Federal Reserve Board dispute over the management of the public debt.

I have previously expressed the belief, as well as the hope, which I now repeat, that an area of agreement can be reached. In that connection I wish to point out the fact that a higher interest rate on long-term securities is not the only method by which the Federal Reserve Board can protect its open market committee. In exercising its control over national banks the Federal Reserve Board has the power to distinguish between risk loans and normally sound loans. It also has the power to ask Congress to increase its power over reserve requirements and as a temporary war emergency measure extend that power to all banks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE TREASURY-FEDERAL RESERVE DISPUTE

I would like to talk to you this morning about the differing convictions of the Treasury and the Federal Reserve, because these involve questions of policy that are of great importance to our economy and, therefore, to you as bankers. Public opinion is being brought to bear on the impasse that exists, and it is being marshalled through statements that oversimplify the point at issue. It would be unfortunate, as we see it, if too many people accepted the thought that, if the Federal Reserve were freed of its compulsion to buy Treasury securities at fixed prices, the Federal could necessarily exercise a deflationary influence. Nor should we accept the generality that preys upon our love for tradition, namely, that the Federal Reserve was created as a supreme court of finance and that it would be a sacrilege if it were interfered with in any way.

Let me tell you at the outset where we stand on these matters. We believe it is most desirable that the Federal become more free than it has been in the past decade to follow a restrictive credit policy at times when this is needed. We agree with those who say that Treasury domination of Federal Reserve credit policy is dangerous. We do not go along, however, with the sophomoric contention that the Federal Reserve should be omnipotent or that it should be free to assume an attitude that might be described as "the Treasury be damned." There is much appeal in the thought advanced by Mr. Russell Leffingwell that the Treasury and the Federal Reserve be equal partners. On such a plane each can act to restrain the other or to goad the other as the case may be.

The question of domination or partnership is important largely as a matter of who holds the final say. The real problem involves many technical phases of debt and credit management and the need for a continuing understanding of investor psychology. Perhaps the outstanding problem in the technical field is whether 2½ percent Treasury bonds need be supported forever at par or better. We have long been of the firm belief that par support should not be a permanent practice. At the same time we are equally firm in our belief that we cannot depart from such a practice overnight, particularly in an atmosphere of contention between the Federal Reserve and the Treasury. We also believe that if the two partners in money and debt management are so for apart in their convictions that agreement can be reached only by literally hitting one of the two of them over the head, the public cannot be blamed if it loses confidence in both, and in the dollar, and in Treasury securities.

We are inclined to place a great deal of weight on the importance of the state of mind of the investor and on the degree in which this must be considered in the management of both debt and credit.

The open-market operation is the principal instrument with which the Federal may affect the amount, availability, and cost of money. We know quite well how readily the Federal can expand the amount and can in-

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crease the availability of credit by the purchase of securities in the market.

We believe that some misconception exists as to the ability of the Federal to contract credit by the sale of Treasury securities. Success in this regard depends upon the Treasury's cash position. If the Treasury is operating with a substantial cash surplus, the Federal can contract reserve credit by selling securities in the market or by redeeming obligations as they mature.

If the Treasury does not have a cash surplus, attempts by the Federal to sell in the market cannot contract credit against the will of the market and may only expand the amount of credit in use.

At the present time the Treasury faces a deficit, and the prospect of the Treasury attaining a surplus seems remote. Therefore, in future open-market operations the Federal will be unable to contract credit to any appreciable extent by sales of Treasury securities on balance.

Perhaps this is why we are confronted with the demand that the Federal Reserve be restored to the independence conceived for it 37 years ago. Such independence would permit of an attempt to reduce the inflation problem by denying credit to the market, with the obvious result that a sharp upward trend in interest rates would follow. In the meanwhile the Federal Reserve creates, on occasion, a situation where there is no market for Treasury securities.

This brings us to the second phase of open-market operation, namely, the techniques employed by the Federal that would produce a trend toward higher interest rates. One can be certain that if the Federal were free to precipitate, directly or indirectly, a sharp upward trend in interest rates and if it were determined to use this mechanism to the necessary extent, it could stop the present inflation spiral. But once this had been accomplished, or during the process, another series of chain reactions would be started, such that the resultant inflation potential would cause our present problem to be dwarfted by comparison.

The February National City Bank letter offered a comment that was of great interest to us in this connection. It was directed primarily to the defense effort, but it applies equally to those phases of credit and debt management that have precipitated the Federal-Treasury dispute. The National City Bank noted that during most of the time since Korea, people have been uncertain as to the extent of the requirements of defense and what was expected of them. The bank went on to say that little authentic information had been available on the size of the defense program, and it admitted that, although such uncertainties may have been unavoidable, the lack of a firm basis for calculations left the way open for uninformed opinions, speculation, and extreme statements both public and private. The comment closed with the following quotation, "Undoubtedly there has been inflation by publicity, which has fostered a contagious state of alarm and scare buying."

We believe that the drawn-out public discussion over the clash between a fixed interest rate and credit control, a discussion in which Federal Reserve officials have taken a long lead, has contributed importantly to the expansion of bank credit.

How much weight should be given by the Federal to the impact of its credit policies on holders of Treasury securities such as businesses and individuals? For an idea we might turn to an estimate of the so-called inflationary gap that was recently made by a noted Federal Reserve economist. He said that the gap during the next year could be as much as $20,000,000,000 and will stem from a contraction of $10,000,000,000 in the goods available for civilian purchase and an increase of a like amount in consumer and business income. He cautions that the estimate is premised on (1) no further price or wage increases, (2) no substantial credit expansion, (3) no further tax increases, and (4) a consideration of particular potency to our discussion; namely, no large use of available liquid assets. He then points out that individuals and businesses hold $176,000,000,000 of bank deposits and currency and $90,000,000,000 of Treasury securities, a large part of which are redeemable on demand or have short maturities. The total is $266,000,000,000. The question, therefore, is whether attempts by the Federal to reduce the size of the inflation gap will suggest that some portion of the $90,000,000,000 of these Treasury securities be sold or whether such investors thereby will be encouraged to increase their holdings.

The Federal Reserve, as a special guardian of the purchasing power of the dollar, also must keep in mind that some $100,000,000,000 of Treasury securities rest in the portfolios of commercial banks, savings banks, insurance companies, and the like, and that such investors hold additional billions of other marketable securities, the value of which would be affected, along with their Treasury securities, should a sharply increasing trend in interest rates occur.

Managers of these portfolios, such as yourselves, are concerned with the decreasing purchasing power of the dollar, but you also take into consideration in the management of your portfolio the dollar prices that your security investments command in the market. Many of the decisions that you make with respect to the purchase, sale, or retention of these securities are based upon changes in market values. Collectively these decisions of yours, influenced as they must be by the Federal Reserve's policies, will bear importantly on whether individuals and businesses prefer to acquire additional securities or are inspired to bring their liquid assets into play in a manner that will heighten our inflation.

Thus the Federal Reserve is quite correct in saying that it must protect the purchasing power of the dollar, but the Treasury is also on sound ground when it says that investor confidence in Treasury securities should not be impaired by unexpected sharp fluctuations in the dollar prices of its securities. These two statements are the crux of the dispute.

Now let us digress for a moment in order to examine the weight that should be given to the Board's contention that it has a responsibility for credit that it is not able to discharge. There is nothing new about this. The Federal Reserve was charged just as fully in this connection 9 years ago as it is today. Yet 9 years ago, as a consequence of the war emergency, the Federal Reserve agreed to underwrite a pattern of rates for Treasury wartime financing. The Federal Reserve had no option because the Treasury faced an unprecedented deficit, the money had to be raised, and there was nothing else to do.

Since the Treasury again faces a deficit, is there any better way to resolve matters than to bring about an agreement between the Treasury and the Federal Reserve in the technical area of interest rates and support techniques?

Nine years ago when the Federal accepted the responsibility of protecting the prices of Treasury securities, the Secretary of the Treasury would have accepted a support price that was fractionally below par. When I say this I am not making an assumption. The choice of par, as a precise figure, was made by the Federal, and with the passage of time most Treasury security investors have come to believe that whenever "the cards were down," neither the Treasury nor the Federal would elect to drop the support price of the 2½ percent bonds below that figure.

Indeed, you will recall that by the time we had to face up to the inflationary problems of 1947 and 1948 a leading official of the Federal proclaimed that failure to support Treasury 2½ percent bonds at par would lead to a catastrophic condition. We repeat that we firmly believe that we need to get away from par support, and we believe that a program should have been and could have been worked out long before this. A period of national emergency and of bitter dispute between the Treasury and the Federal, however, is not a propitious moment to engage in drastic changes or to withdraw support.

Furthermore, if the reasons for supporting outstanding Treasury bonds were compelling in 1948, how do we justify ignoring similar reasons today?

The Federal has lived with its conscience for 9 years. Why must it suddenly choose a war emergency and a period when the Treasury faces a deficit of unknown size to suggest that it be free to act independently?

Indeed the differences between the type of inflation that we face today and that with which we were confronted in 1947 and 1948 should leave the Federal Reserve with less rather than more reason to have precipitated these questions. During 1947 and 1948 the inflationary problem arose primarily from activity in the private economy, at a time when the Treasury had a substantial cash surplus. The present inflation has been enlarged by the prospect of controls, of shortages, and of an undefined but large defense program.

Some portion of the plant and equipment expansion necessary to the defense program is yet to be met. The money needed from outside sources must come largely from either the insurance companies or the commercial banks. At the present time great emphasis is being placed on the expansion of bank credit. Few seem to realize that under existing conditions loans granted by banks are less inflationary than the extension of an equal amount of credit by insurance companies.

Now, the Treasury security and other bond markets have remained relatively calm throughout this drawn-out Federal Reserve-Treasury dispute and its accompanying publicity. This calm is the result of a general confidence that the Treasury long-term rate of 2½ percent will stand, and so will par support for outstanding long-term bonds. In other words the rank and file of investors do not believe that the Federal will be or will feel free, in the final analysis, to unstabilize the Treasury security market by decreasing the support prices or by withdrawing support.

My first question, therefore, is as follows: If against the contentious background of recent months, the Federal reduced its support price for Victory 2½'s to 100 and, at the same time, became a more-than-usually reluctant buyer of short-term Treasury securities, would investors continue to be calm or would their confidence be somewhat shaken?

Second, would a drop in the support price of 2½ percent bonds to 100 or an increasing denial of a market to some holders of Treasury securities produce an increased volume of precautionary sales?

Third, if the Federal Reserve were to drop the support price to 99½ or 99, how confident would institutional investors be that such support prices would hold?

If the Federal breaks par in support of Treasury bonds, will this be deemed, by investors, to be evidence that it has adopted a program of retreat to successively lower prices depending upon the volume of bonds offered to it?

If, to make its credit less readily available, the Federal decided to let the market decline to whatever point was necessary to dry up selling, how far would prices have to decline? Does anyone know? Can we afford to act on optimistic guesses?

Now let's go to the other side of these things. Let us assume that, to reduce the availability of credit, the Federal Reserve

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drops its support prices sufficiently low that it ultimately dries up any substantial selling. How many institutional investors would become buyers of Treasury securities?

We are asked to believe that more Treasury securities can be placed if the interest rate offered on them is made more attractive. When bond prices decline interest rates become more attractive, but I have never seen a bond market that was undergoing a major decline that could be characterized as a confident one. If the bond market is caused to decline sharply while institutional investors are net sellers on balance, where are the additional buyers of these bonds going to come from?

We believe that the important consideration is not whether interest rates become more attractive or whether a higher level of rates is brought about. It is the trend of rates that is important. As bankers, you may agree that there is a tendency to feel more "loaned-up" when the outlook is for higher rates of interest than is the case if the outlook is for lower ones. The same thing is true with respect to bond buyers. A given rate is unattractive if the trend of the market is down, but the same rate can appear attractive if the price trend is stable or rising.

Please do no misunderstand. We are not an advocate of low interest rates. We would have much preferred a Treasury decision calling for a long-term 2¾-percent bond or a long-term 2½-percent bond at a discount to yield 2.70 percent of 2.75 percent. Both of these would have been possible without disturbing the stability of outstanding bonds if the Treasury and the Federal had evidenced an ability to resolve their differences.

We have been told that market conditions have clearly shown that the Treasury has insisted upon interest rates that are too low. In justification, our attention is called to the natural forces of supply and demand as they appear in the market and to the amount of Treasury securities that the Federal has been forced to acquire. The market for Treasury securities during the past year has been made almost entirely by the Federal Reserve, and the market has looked, most of the time, the way the Federal open-market operations caused it to look.

Let me illustrate this by comparing two financings a year apart. First, we will go back to November 1949. When the Treasury and the Federal Reserve were discussing the terms to be set on the approaching refunding of that period the market "looked" as though a 1⅛ percent rate were no longer suitable. The Treasury, nevertheless, decided to continue with a 1⅛-percent 1-year rate. It also offered a 1⅜-percent note with a 4¼-year term. This note quickly reached a premium of eleven thirty-seconds above 100. Why? Because investors took the financing decision of the Treasury as an indication that the Federal had lost the fight to advance the pattern toward higher yields. Both offerings were an outstanding success.

During the months following the Federal showed by its handling of the open market that it had not given up the fight. Even when the Treasury in the spring of last year acceded to somewhat higher interest rates for shorter-term securities, the Federal appeared to be dissatisfied. At least, that is the impression gained by close observers, an impression that was more than fully justified by the open break that occurred in August of last year.

Let us now consider the latest refunding in which the offering consisted of a single issue of 5-year 1¾-percent notes. The terms set by the Secretary of the Treasury were those recommended by the Federal Reserve, ones that were later characterized by the Federal as appropriate and attractive. Most market observers, and we believe the Treasury as well, were skeptical of the appropriateness and the attractiveness of a 5-year obligation for corporations who were large holders of the maturing securities. But there are grounds for believing that the Federal assured the Treasury that this refunding would be a success.

What is the record? Only about 52 percent of the public holdings of the maturing securities were exchanged for the new issue and held throughout the exchange period. The remaining 48 percent of the public holdings were sold to the Federal or redeemed for cash. This hardly could be construed as a successful exchange from the point of view of the sound objectives of debt management.

About 15 percent of the public holdings were redeemed for cash. This compares with a 21 percent cash redemption last September and October and with the more normal cash redemptions of 5 percent or less. The drain on the Treasury's balance resulting from these two refundings was $3,500,000,000.

The differences between the successful refunding of November 1949 and the unsuccessful exchange offering made in November 1950 are twofold. In the first place, it is a testimony to the deterioration in investor confidence that has been brought about by the public wrangling over differences. Second, it suggests that the Treasury is a better judge of the type of securities that investors will buy than is the Federal.

This brings to mind something that has occurred to us with increasing frequency over recent months. We have wondered whether the Governors of the Board and the other members of the Open Market Committee could possibly be too far removed from an intimate contact with the Treasury security market, that is, from the changing states of mind, the preferences, and the reactions of those whose activities create the supply and demand with which the Federal open-market operation must contend. These are details of great importance when it becomes necessary to refine the terms of Treasury offerings. We also have wondered whether an adequate exchange of technical information takes place between the Treasury and the Federal. We have wondered about these things, because if such situations were to exist they would explain why some of the misunderstandings arise.

But let us get back to more tangible things. The apparent calmness of institutional investors will be put to a full test when the Treasury begins to refund almost $40,000,000,000 of maturing or callable securities. The bulk of these refunding covers a span hardly longer than 4 months and begins this June.

Were the Treasury to experience the same percentage of cash redemptions that it suffered in the last refunding, it would have to pay out about $6,000,000,000. No wonder the Secretary of the Treasury believes a stable and confident Treasury security market is a prerequisite to financial mobilization.

If, therefore, the Federal Reserve were to endeavor to make credit unavailable by reducing support or by withdrawing it, what would be the attitude of holders of the maturing and callable Treasury securities?

Many have substantial forward commitments in mortgages and the like. A larger number would be offered good loans at rates substantially higher than those now prevailing. Some of those loans will be necessary to the defense program.

Would investors accept the refunding offerings to be made by the Treasury?

Or would they deem it prudent to redeem their securities in order to meet their commitments or to make loans?

If, in the final analysis, the Treasury met with no greater success in these financings than in those just past, would potential buyers of long-term Treasury bonds gain or lose in confidence?

And, wholly aside from the Treasury's cash position, if it must meet large-scale cash redemptions, from whom will it obtain funds? From the Federal Reserve banks? Or from the commercial banks?

In either event it would appear that banks as a whole might be forced to cope with some more or less unworkable plan such as a secondary reserve requirement, a ceiling reserve plan, higher cash reserves, or they may be told to accept Treasury certificates of deposit bearing interest at some rate, such as one-fourth percent. Yet none of these devises will insure an improvement in the credit condition over what it can be if debt management is permitted to work in our favor instead of against us.

This is not a question of interest costs. Surely many would prefer higher rates, but the determining element in the equation is the maintenance of investor confidence. This requires a stable and confident Treasury security market and confidence among Treasury-security investors that they will not be subjected to some abrupt manipulation of the market, by either the Federal Reserve or the Treasury.

It seems to us important that the attitude of the institutional investor toward the market for Treasury securities may determine the confidence that business corporations and individuals have in these same securities. To parlay the reduction in the value of the dollar by decreasing the dollar price of Treasury securities abruptly may be the worst way to deal with inflation.

In summation we suggest that the differences between the Federal and the Treasury involve questions of policy that are most important to the economy and to you. It is dangerous to accept oversimplifications, either of principle or of the technical aspects of the points at issue. Federal Reserve open-market operations designed to reduce the availability of credit cannot do so on a quantitative basis except as the Treasury is armed with a substantial cash surplus. The Treasury will soon be operating at a deficit. A substantial cash surplus is hardly a possibility. To reduce the support rendered to Treasury securities, against the present contentious background, or without warning, would be most dangerous. The withdrawal of support would be intolerable. Yet, we need to plan for its ultimate elimination. Of greater importance than an increase in interest rates, is the trend of rates. But, this is no time to attempt to control credit by starting a trend to higher rates. To do so would multiply not reduce the inflation potential. Neither the Federal nor the Treasury should be omnipotent or dominant. Each should consider itself to be an equal partner charged with responsibilities of equal weight.

Universal Military Training

EXTENSION OF REMARKS

OF

HON. M. G. BURNSIDE

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 12, 1951

Mr. BURNSIDE. Mr. Speaker, under leave to extend my remarks in the RECORD, I am including an article appearing in the Washington Post, Washington, D. C., on February 11, 1951:

UMT CAN BUILD IKE'S WALL FOR PEACE

(By James B. Conant)

(Following is a digest of a radio address delivered last Wednesday night under auspices of the Committee on the Present Danger.)

The United States is in danger. Few would be inclined to question this simple statement. The danger is clearly of a military nature. On this much we can all agree.

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But as to the exact nature of the danger which confronts us, there is far from being complete agreement among the citizens of this Republic. Nor are we by any means of one mind as to how we should mobilize the young men of the Nation. Indeed, some few question even the need for an army of the size announced.

Now, if we are going to ask the youth of the country to serve two years in the Armed Forces—as I believe we must—each one of us who supports this program must be prepared to answer one question—why?

Why must we look forward to a period of austerity, of partial mobilization, of more weapons for war, fewer tools for peace?

The answer to these questions seem to me to be summed up in General Eisenhower's recent statement that we must "build a secure wall for peace."

Within less than 18 months, the free world has been confronted with two highly unpleasant facts. First, the Soviet military power is beginning to mount in terms of the most modern type of warfare—the United States monopoly of the atomic bomb has ended; second, the Soviet allies, at least, have shown a readiness to gain their ends by force of arms.

Place these facts against the background of the postwar military situation on the European Continent and you can see the outlines of the present danger.

If Russia tomorrow should move its troops toward the Atlantic Ocean, European territory would be conquered but the Russian industrial centers would be destroyed from the air. As long as the United States strategic Air Force is in this commanding position, the danger of Russian troops marching to the channel is relatively slight.

But as the years go by, the deterrent power of strategic bombing will meet an ever-mounting counterthreat—a threat to the industrial centers of Britain and the United States, to the continental cities themselves. The Russians are building up their offensive strength and doubtless likewise their own defenses against strategic bombing.

Therefore the danger of a third global war, I am convinced, turns on the fact that a few years hence the handful of men who rule Russia may decide that the power of our strategic Air Force has been largely canceled out. If at that time Europe is defenseless on the ground, the Russian hordes will begin to move.

Strengthening the defense of Europe in terms not of a deterrent threat against Russian cities but in terms of armies to stop an advance—this seems to me the top item on the agenda of the free nations of the world. Only then can we achieve a true global stalemate.

What is required of the United States, if we are to play our part in building this wall of security? Clearly, the rapid production of arms and military equipment—and on this we are well embarked. But we must also be in a position to furnish men.

General Eisenhower says that we must be prepared to stand by in a partially mobilized state for a long period of years. To this end, we must have a system of universal military service.

Congress has before it a universal military service bill. This measure needs to be understood by the American public, for there is much confusion as to what is in fact involved.

In the first place, we are not talking about the type of legislation which would be needed to mobilize the manpower of the country on a total basis if we became engaged in a global war. That is another subject. I am discussing, rather, partial mobilization for a long, drawn-out period of international stress and strain. I am discussing the method of maintaining over many years three and a half to four million men in our Armed Forces.

What the situation requires is a universal military service act which will call into the Armed Forces all able-bodied young men when they graduate from high school or reach 18, whichever is later. This is a vital point in the argument; this is the essence of the bill which must not be destroyed by amendment.

Those of us who support the bill believe that the interruption of a young man's education should be before college, not during college, and, for those who go direct from high school to a job, before starting in an occupation. After they have completed the 27 months of military service, these young men will be ready to enter college or go to work. The problems which bedeviled us in World War II in regard to deferring special types of students or essential men in industry will be eliminated if military service is performed between the ages of 18 and 20.

To my mind, it is quite clear that a man's military service had best be done before he enters the productive life of the country or before he begins his collegiate or professional education.

On this point, we have the testimony of Dr. William C. Menninger, who was chief psychiatrist of the Army in World War II.

"From the point of view of the mental health of our young men," Dr. Menninger said, "a program of universal military service and training is far more practical than our present system of selective service. The present system engenders hostility in the man who is selected because he must carry an unfair share of the burden. Because it is selective, it tends to stimulate men to seek deferment on whatever grounds they may be able to plead.

"With our present system a man of draft-eligible age lives in uncertainty from mail to mail. The result is great unrest in our youth of this age, not only in colleges but in industry and business.

"A system which begins at a definite age, which distributes equally the responsibility and privileges among all youth, and which runs for a definite length of service, is far superior, from any mental health point of view, to our present indefinite and discriminatory system under the selective service law."

There is one obvious difficulty in a scheme of universal service between 18 and 20. How is one to provide from each age group the required number of officers and specialists? I have become persuaded, contrary to my first opinion, that in order to accomplish the training of officers and specialists, a small fraction of each age group should be selected after basic training by a civilian board and sent to the colleges for specialized education. This feedback proposal is in the bill now before Congress. It meets the objections that many educators first raised to a universal military service program.

Some scientists have been disturbed lest the passage of this bill strike a serious blow at the national defense by interfering with the continuous flow of trained men. I venture to think they are mistaken, and call as an expert witness Dr. Vannevar Bush, who headed all our scientific work during the last war.

Dr. Bush appeared before the Senate Armed Services Committee to urge the passage of this universal military service and training bill, and this is what he said:

"We shall call all young men at 18 without exception, adjusting standards to defer only those who cannot be used somewhere in the widely varied efforts of the Military Establishment. Once the system is in full operation, the process of choice of men to receive advanced training to become officers or to develop new weapons, to maintain our public health, or to perform other professional duties should be on a secure basis of fair competition.

"There will be adjustments needed in a transition period, for it would be absurd to denude our laboratories just when we need them most, and it would be short-sighted to deny to industry the engineers it must have to build new weapons in adequate quantities in the next year or two.

"But when the system is in full operation, every youth on reaching 18 should expect to get into the service of his country, with his subsequent advancement and the nature of his assignments during the entire age period until he emerges from the Reserves and goes his own way determined by competitive tests and the judgment of fair men."

Let me emphasize the distinction between universal service and selective service, for this point is often misunderstood. The bill before Congress is a real universal military service bill and not merely an extension of the Selective Service Act to include 18-year-olds. The power given the President to call up men by age groups and the establishment of a large Reserve are the distinguishing features.

When the call goes out for an age group, the draft boards will make no deferments in this group on grounds of occupation or dependencies. When the program becomes fully operative, the services could count on at least 700,000 to 750,000 men from each age group, and another 100,000 for limited service by lowering the present physical and mental standards for induction.

In addition to providing a force in being, the continual flow into the Armed Forces of those who reach 18 and their release after about 2 years will provide over the years a pool of trained manpower—a large body of men in Reserve status. I believe this to be imperative. The danger of an all-out war is so serious that all our young men must have military training for their own protection as well as for the protection of their country.

The present selective-service law expires in June. Clearly, before that date Congress must act on the bill that is now before it. But one may hope that the matter may be settled in the coming weeks. Until it is settled how we are to recruit our armies, there will be a feeling of uncertainty and confusion in many families throughout the land.

I suppose all of us who are urging the rapid rearmament of the United States would agree that there is nothing we like about the whole business. Universal military service is a bitter pill to swallow, and I for one have come most reluctantly to support such a program. But the desperate need to build up our military strength cannot be denied.

Many of us remember with what shock we read of the fall of France in 1940 and with what fear we awaited the outcome of the battle of Britain. Our military men, we now know, were full of apprehension as to what would be the consequences to the United States of the loss of the British Isles. The margin of victory then was narrow enough, we all recall. But with the weapons of the 1950's, an enemy in control of the Channel ports would be far more dangerous, perhaps impossible to stop.

In short, while the defense of Europe is essential for the survival of Europe, it is just as essential for the survival of a free United States.

Europe lost—just sketch the outline of such a world and fill in the details yourself. Imagine the Soviet Union in control directly or through puppets of all Europe, the Middle East, and North Africa; Britain neutralized, this hemisphere alone. Think in terms of military strategy, think in terms of raw materials, think in terms of western civilization.

What is the alternative? A third global war? Not to my mind. It may be forced

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