

Next, the military services are underpaid. We must be fair with them. Justice demands this, but also compelling is the factor of efficiency in our defense forces. We cannot obtain and retain the necessary level of technical proficiency unless officers and men, in sufficient numbers, will make the armed services their careers.

Now, let's turn briefly to our satellite projects:

Confronted with the essential requirements I have indicated for defense, we must adopt a sensible formula to guide us in deciding what satellite and outer-space activity to undertake.

Certainly there should be two tests in this formula.

If the project is designed solely for scientific purposes, its size and its cost must be tailored to the scientific job it is going to do. That is the case in the present Vanguard project now under way.

If the project has some ultimate defense value, its urgency for this purpose is to be judged in comparison with the probable value of competing defense projects.

Now, all these new costs, which in the aggregate will reach a very considerable figure, must be added to our current annual expenditures for security. There is no immediate prospect of any marked reduction in these recurring costs. Consequently, the first thing is to search for other places to cut expenditures.

We must once more go over all other military expenditures with redoubled determination to save every possible dime. We must make sure that we have no needless duplication or obsolete programs or facilities.

The answer does not lie in any misguided attempt to eliminate conventional forces and rely solely upon retaliation. Such a course would be completely self-defeating.

And, most emphatically, the answer does not lie in cutting mutual defense funds overseas -- another important part of our own nation's security. We are linked with 48 countries by military assistance agreements. We could not possibly station our troops all over the world to prevent the overflow of Communism. It is much more economical and vastly more effective to follow and strengthen our system of collective security.

The same applies to economic aid. This kind of assistance helps others keep free of dependence upon the Soviet help, which too often is the prelude to Soviet domination. It shows the free world's ability to develop its resources and to increase its living standards. It helps allied economies support needed military units and remain sturdy partners of ours in this world-wide struggle.

Now, in the Federal government's civilian activities, we shall have to make some tough choices.

Some programs, while desirable, are not absolutely essential. In this I have reached a clear conclusion. Some savings may still be squeezed out through the wringer method. This will be one of the hardest and most distasteful tasks that the coming session of Congress must face. And pressure groups will wait in anguish.