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PRESIDENT EISENHOWER'S 1961 BUDGET MESSAGE

The following statement has been authorized for issuance by the Democratic Advisory Council's Administrative Committee:

"In this election year, the Eisenhower-Nixon Administration obviously has decided to use the budget as a political instrument. A first study of the document indicates that it is unimaginative, as was the earlier State of the Union Message, in defining the great goals of the nation, or in producing the kind of fiscal leadership that the times require.

"But it is politically resourceful. An example of this is the recommendation of 42 new water resource starts, three new construction starts by the Tennessee Valley Authority and one by the International Boundary and Water Commission. The Budget Message describes it as a "record total".

"There have been no new water resource starts with Administration approval for the past two years. The Tennessee Valley Authority has had no appropriation for new hydro-electric starts since the Eisenhower-Nixon Administration came into office and sought to provide for TVA's needs through the infamous Dixon-Yates deal which the Democrats in Congress fought and eventually defeated.

"We are glad that, finally, some of the resources of the nation are having attention - but we cannot help but remark that it is indeed significant that only in the last year of the Eisenhower-Nixon Administration have they received such notice.

"We believe that the budget is being used to provide for a series of ground-breaking ceremonies for Richard Nixon's campaign tours.

"The Budget provides for a 1.8 per cent increase in expenditures over fiscal 1960, which will not cover what has been lost by inflation. The Budget Message itself notes that the operating costs are higher through inflation. Regarding the military, it notes that 'these increases . . . outweigh the savings that result from declining programs and from economy measures, such as reduced numbers of units and installations, small inventories of major equipment, and improvements in the supply and distribution systems of the Army'."

"There is, however, no sense of fiscal urgency regarding the military, or our space program, or the great needs of education. The Budget is the key to progress in these fields - not the words of the President, the Vice President and the Cabinet officers. The Budget shows that we are again acting as though this was the mid-1920's and there is no hurry about bolstering up our defenses, building up our economy or forging ahead in the exploration of outer space. As far as the Budget is concerned, we do not seem to be in a great race for a way of life and Khrushchev is merely a person to visit but not to compete with.

"Not only in its recommended expenditures, but also in its legislative proposals, the Budget message shows the quiet and contented attitude with which the Eisenhower-Nixon Administration really approaches the new decade.

"The proposals on international affairs and finance give no clue that that this nation is the leader of the free world or that these problems are uppermost in the minds and hearts of Cabinets all over the world. The national security legislative recommendations are so trifling, when compared with the age, that we think they bear repetition here in total:

1. Discontinue statutory minimum strength for Army National Guard.
2. Equalize military retirement pay.
3. Facilitate sale of surplus military real property.
4. Authorize sale of Alaska Communication System.
5. Eliminate certain restrictions on foreign bidding on military supply items.

"There is, however, the old favorite - tight money. The legislative proposals include recommendations for 'flexible interest rates on veterans and housing loans', removal of the interest ceiling on Treasury Bonds and another increase in the debt limit.

"In general, this is a Budget which raises a little here and cuts a little there, with no clear goals apparent other than the political one.

This represents a policy for a little America, not a big one. "

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