

House of Representatives

MONDAY, JANUARY 16, 1956

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou whose bountiful providence is everywhere and always available, help us daily to lay hold of those spiritual resources which are the secret of strength and peace.

Humbly we pray for the valor of a faith that will not falter, the joy of a hope that is patient, and the power of a love that will never fail.

Grant that as we take our way through the years and go in and out among our fellow men, our life may be rich in sympathy and fruitful in service.

May we be of one mind and heart with all who seek to know Thee, of one fellowship with those who love Thee, and of one purpose with all who are striving to do Thy will faithfully.

Hear us in the name of the Christ who, being Lord of all, was willing for our sakes to become the servant of all. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, January 12, 1956, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Tribbe, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 5614. An act to amend the Communications Act of 1934 in regard to protests of grants of instruments of authorization without hearing.

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 51. An act to amend the act entitled "An act to confer jurisdiction on the States of California, Minnesota, Nebraska, Oregon, and Wisconsin, with respect to criminal offenses and civil causes of action committed or arising on Indian reservations within such States, and for other purposes";

S. 2286. An act to amend the Merchant Marine Act of 1936 so as to provide for the utilization of privately owned shipping services in connection with the transportation of privately owned motor vehicles of certain personnel of the Department of Defense; and

S. Con. Res. 59. Concurrent resolution requesting the President to issue a proclamation designating the week of January 29, 1956, through February 4, 1956, as National Junior Achievement Week.

GOVERNMENT BUDGET FOR THE FISCAL YEAR 1957—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 256)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

I send you today the Budget of the United States Government for the fiscal year 1957 which begins July 1, 1956. This budget also includes the fiscal results of all Government operations for the year ended June 30, 1955, and revised estimates for the current fiscal year ending June 30, 1956.

Budget totals
(Fiscal years. In billions)

	1955 actual	1956 esti- mated	1957 esti- mated
Budget receipts.....	\$60.4	\$64.5	\$66.3
Budget expenditures.....	64.6	64.3	65.9
Budget surplus (+) or deficit (-).....	-4.2	+2	+4

The budget I am proposing for 1957 is a balanced budget. It is my expectation that the budget will also be in balance for the fiscal year 1956.

Although balanced, the margin of estimated surplus in each of these budgets is slim. This calls for the utmost cooperation between the executive and legislative branches to prevent increases in expenditures or reductions in receipts that would create a deficit.

The present encouraging budgetary outlook arises from a favorable combination of factors involving both receipts and expenditures. Substantial reductions in Government expenditures have been achieved in the past 3 years. A significant increase in revenues is currently anticipated as the result of our present unprecedented prosperity. In the achievement of this prosperity, the historic 7.4-billion-dollar tax reduction and reform program of 1954—so advisable during the transition to a peacetime economy then taking place—and the confidence born of prudent fiscal and credit management have been strong energizing factors.

Budget expenditures in the fiscal year 1956 are now estimated at 64.3 billion dollars. This is a reduction in Government spending for the third successive year. It is a decrease of 10 billion dollars from the amount actually spent by the Federal Government in the fiscal year which began July 1, 1952. It is a cut of 13.6 billion dollars from the amount proposed in the budget for the fiscal year beginning July 1, 1953, submitted to the Congress in January of 1953 before this administration took office.

For the fiscal year 1957, total expenditures are estimated to rise approximately 1.6 billion dollars over the anticipated level for 1956. This increase will be more than offset by the rise in receipts estimated to result from continued growth in the national economy. Efforts to obtain additional economies in Government operations must continue, for the balance achieved in the budget for 1957 is a balance at a high level of receipts and expenditures. The search for additional savings that can be effected while strengthening our security posture and providing essential Government services must be relentless.

We will take full advantage of the proposals of the Commission on Organization of the Executive Branch of the Government, which has completed with high distinction the task of analyzing the activities of the Government. We will continue to give the taxpayer greater and greater value for each dollar spent. We will continue to foster orderly growth of our economy through sound fiscal policies. The confidence in the future among consumers and businessmen generated by those policies must be maintained.

BUDGET POLICIES

We seek, above all, the attainment of a just and durable peace. Thus, the resources of the world can be directed to building a better life for all people. The people of the Soviet Union and of the countries under its domination are undoubtedly as anxious as the people of other nations to achieve this objective. I regret that the Soviet leaders have not as yet given any tangible evidence of an intention to agree on a plan of disarmament that can be verified by adequate inspection. In the absence of such tangible evidence, we must follow the course reflected in this budget of steadily strengthening the defense of the United States and its allies, so that the free world will remain strong enough to deter possible aggressors or to retaliate immediately and effectively if attacked.

At the same time, the Government of the United States will steadfastly seek

all possible ways of further progress toward our goal of peace. We will speed the development of the civilian uses of atomic energy and make the resulting benefits available, under appropriate controls, to other nations for the well-being of mankind. We will propose logical methods for advancing disarmament. We will promote international trade and investment. We will not falter in our cooperative efforts to build the economic, as well as defensive, strength of the free world through the Mutual Security Program.

At home, programs instituted by the Executive and the Congress have helped to nurture an unprecedented prosperity without inflation. Our objective is to foster and encourage conditions in which this prosperity can be sustained and can be more fully shared by agriculture and certain sectors of our industrial economy. The growth and movement of our population and the complexity of our dynamic society are continually creating needs which must be met if we are to build wisely for the future. For years, many activities which are desirable for fostering sound economic growth have been postponed because of the overriding needs of war and defense.

Defense needs are still overriding and must continue to be met in full measure. However, budget revenues now permit us to undertake some new and expanded programs for enhancing opportunities for human well-being and economic growth. This budget reflects that purpose.

These two national objectives of securing a lasting peace and of sustaining widespread prosperity and well-being are closely linked to our third goal of financial strength and stability.

In the words of Washington's farewell address, we must meet our defense needs by maintaining a respectable posture of defense. There is no magic number of dollars or of military units and weapons that would solve all our defense problems and guarantee our national security. Neither can total mobilization in peacetime be the answer to our defense needs. It is essential to have a stable, long-range defense program suited to our needs which avoids fluctuations in response to transitory pressures.

We are equally well aware that over-enthusiastic and ill-considered Government efforts to promote economic development could lead to inflation, and could also choke off private initiative, which is the wellspring of economic development and of a better life. Inflation would bring suffering to the very groups whose well-being the Government would be trying to serve.

With a sense of proportion and with a sound progressive policy, we can continue our sure advance toward our objectives. The results to date of sound financial management so demonstrate. While continuing substantial expenditures for military defense and mutual security, with some increases where needed, we can now propose the expansion of certain domestic programs, and,

at the same time, strengthen our financial position by a balanced budget. But we must make sure that we do not undermine our financial strength by laying the groundwork for future budget deficits.

BUDGET DOCUMENT

A budget is not just a book of figures describing fiscal operations—it is a comprehensive plan of action for meeting our national objectives. As such, it affects every phase of the life and activity of the Nation. It is necessarily complex. Like the plans for a building, the budget must be sketched from various points of view to give a clear idea of its content and composition. Accordingly, despite some repetition, the various items in the budget are classified and grouped in different ways to help in the analysis of their overall significance.

In this section of the budget message, I shall summarize budget expenditures in terms of a few broad purposes and also in terms of their controllability through the budget process. Following this discussion, there are two summary tables setting forth budget expenditures and new obligational authority by major programs and by Government agencies. These tables are followed in the message by a discussion of my recommendations for each of the major programs of the Government.

The detailed part of the budget document which follows the message contains four parts: (1) Additional summary tables; (2) detailed appropriation accounts for each agency; (3) information on trust funds and working funds; and (4) a number of special analyses which throw light on the budget from still different viewpoints. These analyses show, for example, the expenditures for Federal credit programs, public works, aid to State and local governments, research, and economic statistics, all of which are common to many programs and agencies.

The detailed schedules and statements of the budget have been simplified this year to make them more useful to the Congress in general and to the appropriations committees in particular. This simplification has also resulted in reducing the size of the budget document 50 pages and the appendix a further 175 pages.

BUDGET EXPENDITURES

Expenditures by purpose: When we look at the budget in terms of a few broad purposes, we find that the greatest portion, 64 percent, of the expenditures in the fiscal year 1957 will be for deterring possible aggression and for strengthening the international alliances to which we belong. The next largest part, 21 percent, will be devoted to civil benefits of various kinds. Interest, largely on the public debt, will amount to nearly 11 percent. Expenditures for civil operations and administration are estimated at 4 percent of the total. Further details of expenditures by broad purposes can be found in special analysis E on pages 1119 to 1121 of the budget document.

Budget expenditures by purpose

[Fiscal years. In billions]

	1955 actual	1956 esti- mated	1957 esti- mated
Protection, including collective security.....	\$42.7	\$41.4	\$42.4
Civil benefits.....	13.7	13.8	13.9
Interest.....	6.4	6.9	7.1
Civil operations and administration.....	1.7	2.1	2.2
Reserve for contingencies.....		.1	.2
Total.....	64.6	64.3	65.9

Protection, including collective security: In this summary classification of broad purposes, expenditures for protection include more than the four major national security programs. They embrace the military functions of the Department of Defense, including construction and procurement; the Mutual Security Program; the Atomic Energy Commission; and other programs such as stockpiling, expansion of defense production, civil defense, and our foreign information activities.

Expenditures for protection, including collective security

[Fiscal years. In billions]

	1955 actual	1956 esti- mated	1957 esti- mated
Major national security programs:			
Department of Defense—			
Military functions.....	\$35.5	\$34.6	\$35.5
Mutual Security Program—Military.....	2.3	2.5	2.5
Atomic Energy Commission.....	1.9	1.7	1.9
Stockpiling and defense production expansion.....	.9	.7	.4
Subtotal.....	40.6	39.5	40.4
Related programs.....	2.1	1.9	2.0
Total.....	42.7	41.4	42.4

In planning such great security programs, it is clear that we must never permit ourselves to be panicked by temporary crises or beguiled by a campaign of smiles without deeds. We continue to maintain and to strengthen our national security forces.

This budget provides for increased expenditures for the military functions of the Department of Defense, emphasizing air-atomic power, guided missiles, research and development, continental defense, and the re-equipping of our forces with new types of weapons. Outlays for conventional weapons and for stockpiling will be decreased. Under the Mutual Security Program, budget expenditures in 1957 for military assistance and for economic and technical assistance are estimated at about the same level as in the fiscal years 1955 and 1956. Expenditures for atomic energy, including peaceful applications, will rise in 1957 to a somewhat higher total than for any previous year. I am also recommending an expansion of our foreign information activities so that we can more successfully advance understanding abroad of our policies and their peaceful intent.