MY FRIENDS AND FELLOW CITIZENS:

Several times since January, I have mentioned the subject of economy in government — especially with reference to cutting the budget proposals for 1958. Now I want to discuss the budget and the financial situation of the United States with you in greater detail.

The President has proposed expenditures of $71.8 billion for the year beginning July 1. Of that amount approximately $45.3 billion is allocated for national security purposes.

Of course it is essential that we maintain a strong defense force / because the Soviet Union forces us to do so by its own excessive armament program. Nevertheless, I believe that every effort should be made to reduce spending where possible in the defense establishment, but not to the detriment of national security.

But the cost of national security is not the only reason our budget is so high. Another reason is that too many people in the Congress / and too many people in the Executive Departments / want to spend when we should be saving.

In 1932 the public debt of the Federal Government totaled $16 billion. Now it has risen to the astronomical sum of $275 billion.

What that means is simply this: That the entire national debt incurred from the founding of the republic to 1932 -- a period of 145 years -- has been multiplied by 17 in the past 25 years. In the process of incurring this tremendous national debt, we have obligated ourselves to pay an almost unbelievable amount of interest.
More than one-tenth of the entire budget, as proposed by the President, consists of funds to pay the interest on the debt. It will take $7.4 billion to meet this obligation. That is part of the cost of having borrowed and borrowed in years past. Ten cents out of every dollar spent next year by the Federal Government will go toward paying the interest on the debt, while only two cents out of every dollar will go toward paying off the debt itself — reduction of the principal.

If we started reducing the national debt by paying $5 billion per year for that purpose, it would take 65 years to pay off our present obligations, even if we did not have some national emergency which required additional borrowing.

Actually, however, the prospects are that there will be only a small margin between the cost of the proposed budget for next year and the revenue from taxes to pay those costs.

Where the law requires certain payments for social security, for veterans, for retirement benefits, etc., we cannot cut without going back on the promises made by the enactment of the laws which established those programs. But where American dollars are being sent overseas to raise the economic level of foreign nations, we can cut appropriations and we must do so.

Also, we must start practicing greater economy in the operation of the Federal Government and its various departments.

I advocate cutting the budget now so we can make a start on reduction of the national debt and then try to reduce taxes. I do not see how taxes can be cut until we face up to the problem and cut spending, both overseas and at home.
But evidently the voice of the people has been heard by some of my "borrowing and spending" colleagues because the Senate has voted to cut the appropriations requested by the first four departments whose bills have come before us. These were appropriations for the Post Office, Treasury, Justice and State departments.

I voted for reductions in each instance. I respect the views of the President, but I cannot agree with him that all the expenditures he advocated for the 1958 budget are necessary. One of his requests was for increased appropriations to the United States Information Service.

The Senate, by a roll-call vote of 61 to 15, cut the request for the information service by $14.9 million. The fact that this reduction was approved by such a great majority indicates to me that the largest peace-time budget in the history of the nation is going to be trimmed down considerably before it is finally approved.

I am happy to note that some of the spenders are listening to the people who have been crying for relief from wasteful federal spending.

This is Strom Thurmond in Washington. Thank you for listening and this station for making this time available each week.

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