MY FRIENDS AND FELLOW CITIZENS:

It is clear now that almost every action taken by the Congress at this session will be tempered by two over-riding considerations. First and foremost, Congress seems to be in the mood to provide whatever sums are necessary to defend America against foreign aggressors. Second, we are going to have to cut federal spending in other areas.

These two things go hand in hand, for the reason that there is a limit to the amount of money the federal government can spend without wrecking our free enterprise system, and the economists tell us that we are dangerously close to that limit.

President Eisenhower's budget, submitted to Congress last Monday, comes to about $427 for each man, woman and child in the United States. I think we have to face the fact that this is a war-time budget. We are not in a shooting war, thank God, but we are confronted with the same kind of drain on our national resources and our federal government's ability to pay.

One of the discouraging things about this kind of war is that it may go on for a long period of time, perhaps ten years, perhaps 20. If we could assure lasting peace by building a better sputnik, we would be justified in handing our missile makers a blank check, confident that they would do the job in a year or two and that we could then return to a balanced budget.

But this is not the case. There is no end in sight to the battle of preparedness.
To the question of what must be spent for defense, Congress must answer, "Whatever is necessary." But this answer must be weighed with the consideration that we must husband our resources carefully for the long pull ahead. A bankrupt America will fall prey to the Communists just as easily as a fat and complacent America.

During a shooting war, it is possible to defer domestic programs "for the duration." The situation is somewhat different now, when "the duration" may last a quarter of a century or more. We cannot sweep our domestic problems under the rug while we devote all of our efforts to defense.

This is why I say that the overall money problem is going to cast its shadow on almost every Congressional program this year. We are going to have to work extra hard to scrutinize every federal spending program.

Along with Senator Sparkman of Alabama, I am the co-author of a bill to extend the Veterans Housing Act through June 30, 1959, including the provision for direct loans to rural veterans, who do not have the same opportunity for getting private financing as do veterans living in urban areas.

I think we owe the veterans this consideration. The tight money market has virtually dried up the sources of capital for GI loans, and many who would be interested in buying or building homes have not been able to do so.

Also, it is in the national interest to keep up-to-date with our home-building program. Our population is expanding. In the event of an all-out shooting war, it is probable that we would have
to cope with a serious housing shortage. It is just good sense to do what we can while conditions permit.

This past week, I have had the pleasure of spending a few days in South Carolina while filling speaking engagements in Greenville and Beaufort. Talking with the people back home is an important part of any Senator's job, and one that I take most seriously. I get many ideas for needed legislation in this fashion.

My time for this week is about up. I thank you again for your attention, and invite your comments by mail addressed directly to me at the Senate Office Building.

This is Strom Thurmond in Washington.

- END -