



CONGRESSMAN'S REPORT

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Taxes and Spending III Just Who Are The Big Spenders?

I was just going to press with my third report in this series -- a proposal for specific 1964 spending reductions -- when the House debated and voted on the 88th Congress' first big money bill. I'm deferring the report in order to say something which badly needs to be said: "Conservatives", if they could elect a President and majorities in Congress, would not spend less, but would in fact spend more.

I concede that these leaders would reduce spending in many federal activities, but based on their own statements, the net result would be more federal spending.

WHAT 'CONSERVATIVES' ARE WE TALKING ABOUT?

In making this blunt statement I'm not talking about the irresponsible radicals who dominate the John Birch Society, people who would repeal the income tax and dismantle the federal government. I'm talking about patriotic, sincere, generally responsible Americans like Senators Byrd, Thurmond, Goldwater and Tower; Representatives like Les Arends (the No. 2 Republican in the House, mentioned below), Bruce Alger, Bob Wilson and Donald Bruce; men like former Agriculture Secretary Ezra Benson.

To be sure, these are strong-minded individuals who do not agree among themselves on everything. However, they all label themselves "conservative", and I think their speeches and writings reveal a general "consensus" about what is wrong with our government and the policies needed to correct it.

THE PROMISE OF 'FISCAL RESPONSIBILITY'

In recent weeks these men, and others, have made the welkin ring with discussions of "fiscal responsibility." It has been said that the 1964 budget should be vigorously slashed, and some of them have mentioned total cuts of \$10 - 15 billion. These speeches hit a responsive note with taxpayers.

But when the time arrived for action -- not words --, when the first big money bill came to a vote March 13, most of the "fiscal conservatives" in the House of Representatives voted, not for cuts, but for more federal spending.

In the first big test a Kennedy spending bill asking for \$15.4 billion was increased by "conservative" votes to \$15.9 billion. I voted against the "add on" amendments.

The leader in the fight for these "add ons" was Rep. Arends of Illinois, who is also ranking Republican on the Armed Services Committee. He has started a running feud with Secretary McNamara on all sorts of weapons and systems he thinks we ought to add to our arsenal at a time when military spending is already up from \$46.4 billion in 1959 to \$55.1 billion proposed by President Kennedy for this year.

On this occasion Arends and his supporters demanded increases of nearly half a billion dollars in the 1964 Defense Department authorization bill. The big items in the increase are for more killer submarines (\$104 million) and more RS-70 airplanes (\$364 million) -- items the Defense Department says we don't need and it doesn't want. If we start construction of these additional projects, we have to finish the job -- with additional billions later on.

If this is "fiscal responsibility" or "conservatism", I'm using the wrong dictionary.

I should add that this is not a pure Republican-Democrat conflict; if it were, the increase would have been voted down. The fact is there were many Democrats as well as Republicans on the winning side. But the main driving force for this increase came from the men who regularly rank at the top of the famed "ACA Index," published by Americans for Constitutional Action -- probably the most ultra-conservative of the groups which regularly "rate" congressmen.

ACTION VERSUS WORDS

This curious turn of events prompts me to do a new appraisal of the federal budget in relation to the stated views of the "conservatives" who tell us they favor reductions in federal spending. My analysis appears below.

For purposes of this study, let's make two big assumptions:

- 1) These men are sincere in their speeches and writings. They mean what they say.

- 2) In 1964 (making this assumption pains me a little) Americans will elect a President and Vice President from this group, and in addition the voters will choose 285 U. S. representatives and 67 senators of similar views.

Now, at long last, the "real conservatives" will be in the saddle; we will have an uncompromising "conservative" President! He will hand-pick his cabinet, ignoring the Dewey-Eisenhower-Nixon-Rockefeller Republicans who might want another big-spending "me-too" administration. The House and Senate will be organized by "conservative" Republicans, who will choose a Speaker and majority leaders of proven "conservative" principles. When the leaders are chosen, ACA will report that every one of them rates 90% or better on its "index."

WORDS INTO ACTION -- A 'CONSERVATIVE' BUDGET FOR 1966

What could we reasonably expect to happen if all this comes to pass? Well, first of all, I would be out of a job -- and other, even more drastic, events would occur. But specifically, how many billions would be cut from the budget? How big a tax reduction would you get? Let's go back to the 10 categories of the federal budget covered in my last report, let's analyze the public statements of these "fiscal conservatives" and let's see how the budget for fiscal 1966 (the first budget of the new Administration) might compare with the \$98.8 billion budget now before Congress.

Major National Security (1964 budget: \$55.1 billion)

The "conservative" consensus condemns our "weak foreign policy" in the Cold War. It demands that we "stop negotiating and get tough." The "conservatives" would deliver ultimatums to the Communists in Europe (where The Russians have 1,200,000 troops and we have 440,000) and elsewhere. They would threaten immediate blockade or invasion of Cuba unless the Russians get out and Castro steps down. If these threats are to be more than words (and remember, we are taking these men at their word), we will need a larger Army, Navy and Air Force, more men in Europe, and all forces on the alert!

Further, these are the men who condemn President Kennedy for "taking chances with our national security" by cancelling the Skybolt plane-to-ground missile (\$2.5 billion) and curtailing the RS-70 (total cost \$1.5 billion).

Typical of the "conservative" position on these costly new military programs was the speech of Senator Goldwater, made to the American Legion, the day after the spending increase in the House. He complained that the RS-70 had been "abandoned", that the Skybolt missile had been "dropped", that manned bombers were being "phased out", that the Nike-Zeus missile was being "delayed", that the Dyna-Soar spacecraft was being "re-examined for possible

junking," and that "not one new weapons systems has been proposed by the present administration."

These items cost money. We can't have them without big additions to a Defense budget which already takes up 56 cents of every tax dollar. The only conceivable result consistent with the conservatives' position on military programs would be, not a saving, but an increase of \$6 - 10 billion in Defense spending.

The probable result in a "conservative" budget

UP \$6 BILLION

Space (1964 budget: \$4.2 billion)

The leaders under discussion are seriously concerned over potential Russian dominance in outer space. Since they don't have to make up a budget, they talk sometimes of cutting back Space expenditures. However, it's significant that when the votes were counted last year, the \$11.6 billion bill including the Space budget passed the House 369-12 and the Senate 65-5. Regardless of who is in power, the people of the United States won't permit us to come up "second best" to the Soviet Union in space,

with Russians looking down on us from a Moon which they alone occupy. However, let's take the "conservatives" at their word and assume they can really slash the Space budget.

Probable result

DOWN \$500 MILLION

Interest on the Federal Debt (1964 budget: \$10.1 billion)

This big figure is up in recent years, largely because of higher interest rates. These men are popular with the bankers, and I hear none of them calling for lower interest rates, even if they could be reduced by legislative act.

Probable result

NO CHANGE

International Affairs & Finance (1964 budget: \$2.7 billion)

Included here are economic foreign aid grants and loans, United Nations contributions, the cost of our foreign embassies and international intelligence. Foreign aid has been cut substantially in recent years; doubtless a "conservative" Administration would make more drastic cuts in aid to the newly-developing nations of Africa, the countries (including India) on the periphery of Red China, and various neutral nations. They would take us out of the United Nations, "saving" another \$57 million (1/20th of 1 per cent of our '64 budget). Surely they

would not cut off aid to Chiang Kai-shek, whose demands for U.S. funds they support almost to a man, nor would they likely cut off South Korea, Spain (where we have large military bases), South Viet Nam or other military allies. While cuts would be made in the Alliance for Progress, I can't believe they would terminate entirely the one program of foreign aid that is supported by many "conservatives. " In the end I would expect no more than a one-third reduction in this item.

Probable result DOWN \$1 BILLION

Veterans Affairs and Benefits (1964 budget: \$5.5 billion)

For all their bold speeches about "economy" none of these "conservatives", to my knowledge, has voted against Veterans Administration appropriations, nor do they tell the veterans' organizations (to whom they frequently make speeches) that they favor wholesale cuts in veterans' benefits. Let's give them the benefit of the doubt, however, and credit them with some reductions in veterans' pensions and services.

Probable result DOWN \$250 MILLION

General Government (1964 budget: \$2.2 billion)

In spite of all their sweeping charges about "bigness in government", these leaders do not suggest dismantling the Congress, the federal courts or the FBI, nor would they sell the White House to the highest bidder. Let's give them credit for some 'bard -headed" economies in the Internal Revenue Service, health and accident benefits for federal workers, and the U.S. courts.

Probable result DOWN \$100 MILLION

Natural Resources (1964 budget: \$2.5 billion)

Being against "big government spending" is very popular with the home folks -- until you come out against a cherished local project. We in Arizona --Democrats and Republicans alike -- are solidly for the \$1 billion Central Arizona Project. Other congressmen and senators have reclamation and flood control projects for their states. Almost every state has a national park, monument or recreation area it wants to see created or expanded. Some reductions might be made here, but Grand Canyon won't be sold for retirees ' "rancheros ", nor will our hypothetical Administration leave our forests untended or close down the Fish and Wildlife Service. Let's assume they really wallop the budgets for the Tennessee Valley Authority and

the Bureau of Indian Affairs.

Probable result DOWN \$300 MILLION

Commerce & Housing (1964 budget: \$3.7 billion)

"Conservatives" are quick to tell us they have no objection to such governmental inroads as the Post Office, Weather Bureau and Federal Aviation Agency. Beyond any doubt they would curtail or abolish FHA home loans, Urban Renewal and public housing programs.

Probable result DOWN \$400 MILLION

Agriculture and Agricultural Resources (1964 budget: \$5.7 billion)

Of this year's budget, \$1.3 billion will go for research, extension, rural electrification and telephones, and rural housing. I imagine REA would be cut substantially and other programs curtailed. The remaining \$4.4 billion is for price supports and the Food for Peace program. While I favor reductions in this program, the cold, brutal, little-recognized fact is that the hard-core of conservative Republican strength in this country is to be found in the corn and wheat-growing states of the Midwest, and these are the men who would dominate the Agriculture committees of the Congress in a conservative landslide. As I found in last year's farm debate, when pressure is applied to reduce farm subsidies, these are the men who most strongly resist. Under the Eisenhower Administration, with a right-wing leader heading the Department of Agriculture, we nearly doubled our spending on farm programs, running up astronomical increases in government-owned surpluses. Let's suppose our conservative" leaders manage to hold the line this time.

Probable result DOWN \$50 MILLION

Labor, Health, Education and Welfare (1964 budget: \$7.1 billion)

From their statements I take it that the "conservatives" would sharply reduce but not terminate unemployment compensation and the U. S. Employment Service. We could be very sure of big reductions in welfare payments to the aged, blind and dependent children, and the school lunch program. The same goes for the National Science Foundation and activities like our Kitt Peak National Observatory near Tucson.

DOWN \$900 MILLION

THE 'CONSERVATIVE' BUDGET IN SUMMARY

Let's see how the 1966 "conservative" budget works out, if my analysis is correct:

MAJOR NATIONAL SECURITY	UP	\$6,000,000,000
SPACE	DN	500,000,000
INTEREST		(No change)
INT'L AFFAIRS & FINANCE	DN	1,000,000,000
VETERANS AFFAIRS & BENEFITS	DN	250,000,000
GENERAL GOVERNMENT	DN	100,000,000
NATURAL RESOURCES	DN	300,000,000
COMMERCE & HOUSING	DN	400,000,000
AGRICULTURE	DN	50,000,000
LABOR, HEALTH, EDUCATION & LABOR	DN	900,000,000
NET CHANGE	UP	\$2,500,000,000

AN EYE-OPENING RESULT

"Conservatives" now have the luxury of being out of power. When they talk generally, they're for economy. When they talk specifically, they're for spending more. And no one bothers to add up the specifics. 'Me specifics, in this instance, seem to add up to \$2.5 billion more than the "extravagant" Kennedy budget of \$98.8 billion for fiscal 1964.

If my balance sheet on the so-called "conservative" position is correct, the result is an eye-opener: so-called "conservatives" are potentially the biggest spenders of all! I suggest that the next time a self-labeled "conservative" tells you how much he would cut spending, you ask him for two things: 1) a specific, detailed list of programs he would cut, and 2) a list of the new National Security programs he would add.

Washington newspapermen and close observers of the Congress are aware of the blunt facts I have recited here, but I think too many citizens have been misled. David Brinkley, the noted television newsman, spoke the truth when he told a Tucson

audience recently: "It is simply a myth to believe that if we could only elect a conservative President, he could cut government spending substantially."

This is an unpleasant fact, but it is a fact just the same. As the respected business publication, the Kiplinger Washington Letter, noted this week, "Republican talk of cutting the budget 10 to 15 billions is bunk, and they know it. . . ."