

FOR THE SENATE:

Everett M. Dirksen, *Leader*
Thomas H. Kuchel, *Whip*
Bourke B. Hickenlooper, *Chr.*
of the Policy Committee
Leverett Saltonstall, *Chr.*
of the Conference
Thruston B. Morton,
Chr. Republican
Senatorial Committee

PRESIDING OFFICER:

The Republican
National Chairman
William E. Miller

THE JOINT SENATE-HOUSE REPUBLICAN LEADERSHIP

Press Release

Issued following a
Leadership Meeting

August 22, 1963

FOR THE HOUSE
OF REPRESENTATIVES:

Charles A. Halleck,
Leader
Leslie C. Arends, *Whip*
John W. Byrnes, *Chr.*
of the Policy Committee
Gerald R. Ford, Jr.,
Chr. of the Conference
Clarence J. Brown,
Ranking Member
Rules Committee
Bob Wilson,
Chr. Republican
Congressional Committee

IMMEDIATE RELEASE

STATEMENT BY SENATOR DIRKSEN:

For many months we, the members of the Joint Senate-House Republican Leadership, have been fighting to get the red ink out of President Kennedy's ever-increasing budgets.

We have argued that if taxes are to be cut, then government spending must be cut also; that if the United States is to stop the drain on its gold supply resulting from an unfavorable balance-of-payments with other nations, then a sane fiscal policy at home is more important than ever.

The plain truth is that the Federal government is not in a wholesome financial position today. The latest evidence of this is the fact that our balance-of-payments deficit has now reached in the second quarter an annual rate of \$5.2 billion.

What this means is that Americans, including the Federal government, have been spending, lending and investing at a higher rate abroad than foreigners have in the United States. And it introduces a more serious problem: the probability of heavier demands for payment in gold by our creditors abroad.

A foreign creditor is willing to hold our dollars instead of demanding gold so long as he sees nothing occurring that might impair the value of those dollars. But when he sees the parade of Kennedy deficits totalling more than \$20 billion since 1961, a foreign creditor worries about the inflation potential and he demands gold to play safe. And our gold reserves continue to dwindle.

Exactly like the foreign creditor, plain, ordinary Americans are worried about the value of the dollar also. They have painful memories of the inflationary Truman years when the value of the dollar was reduced almost 50 percent. That's why the Gallup poll has shown the overwhelming majority of the American people don't want a tax cut if it means increasing the national debt.

We say the Kennedy Administration is engaging in dangerous economic brinkmanship. This nation cannot long sustain higher and higher Federal spending, more and more debt, greater and greater interest payments, and less and less amounts in our gold reserves.

Mr. Kennedy continues to recommend every economic device but the right one -- a real effort to reduce Federal spending to levels we can afford. There is nothing new or fancy about it, but it has worked for centuries.

(Halleck statement, pg. 2)

STATEMENT BY REP. HALLECK:

-2-

August 22, 1963

In again urging the Kennedy Administration to cut Federal spending, we also want to suggest a course of more circumspect Federal bookkeeping. For three years now the American people have been examples of "savings" in Federal spending and "reductions" in this or that which would cause the Federal Trade Commission to issue "cease and desist" orders if claimed by American free enterprise in its advertising.

Only last month the Administration announced that its projected \$8 billion deficit for the past fiscal year had been reduced to only \$6 billion largely by hurried sales of government-held mortgages and other assets. This could be compared to jumping out of the 60th floor of the Empire State Building instead of the 80th.

A couple of weeks later the Treasury Department revised its projected \$12 billion deficit for the current fiscal year to \$9 billion, with 322 days of the year yet to come. This is the same Treasury Department that predicted a \$500 million surplus at the beginning of the past fiscal year, revised it after the November, 1962 election to an \$8 billion deficit half through the year, and then to \$6 billion at the end of the year. Its present forecasts can be judged accordingly.

Also last month, the Secretary of Defense announced he had "saved" \$1 billion during fiscal 1963 which seems wonderful until you look at the Defense Department's 1963 budget which was \$2 billion higher than the year before. It recalls Secretary Ribicoff's paper saving of \$100 million in HEW before he ran for the Senate in 1962, a year however that saw HEW's budget increase \$300 million.

We think the American people have seen enough of these paper "reductions", these phantom "savings" by the Kennedy Administration. Everybody, certainly the American people and probably the Kennedy Administration, too, would be better off if there were some real dollar savings made in the Federal establishment.

STATEMENT BY REP. DOLE:

-3-

August 22, 1963

Presented by Representative Bob Dole, (R. Kans.) who represents the largest wheat district in the U.S. Congress at the Joint Senate-House Republican Leadership news conference following a meeting with the Leadership, August 22, 1963, in behalf of the following members who were also present: Representatives Albert Quie, (R.Minn.) and Don Short, (R.N.Dak.) and Senators Bourke Hickenlooper, (R.Ia.); Karl Mundt, (R.S.Dak.); and Roman Hruska, (R. Neb.).

Three months ago American wheat farmers in a national referendum rejected the Administration's strict control certificate wheat plan by an overwhelming margin. In turning down this Kennedy-Freeman control scheme, they did not believe that the only alternative was the Administration forecast of a ruined market which would spell financial disaster and hardship to the rural economy.

Yet clearly the wheat farmers of this nation are faced with an unacceptable and undesirable program which the Administration seems intent on forcing upon them as "punishment" for not buckling under in the referendum.

We are sorry to see Secretary Freeman again restating that position as he did yesterday when he said there is no interest or concern for wheat legislation which, in his words, has now become mere "academic discussion."

Long before the wheat referendum was held, many of us in Congress began to work on a voluntary wheat program for 1964 which would be fair to farmers, consumers, and taxpayers. Since the referendum over 50 bills have been introduced, both Republican and Democrat, both in the House and in the Senate, in an effort to offset the Administration's disastrous program to "let the farmer stew in his own juice." The time has now come for this reservoir of Congressional interest and concern about wheat farmers to be converted into legislative action which will prevent unnecessary suffering in the farm areas of our nation. Congress has ample opportunity to take action.

We again call upon the Administration and the Democratic leadership in Congress to lend their support to the enactment of remedial farm legislation this year.