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## Eisenhower Takes the Realistic Course

President Eisenhower spoke to the American people Tuesday night in the candid manner of one who considers them adults worthy of being trusted with the facts and capable of joining in sound decisions on the basis of them. The facts he presented were not altogether pleasant, but he made no attempt either to sugarcoat them or to resort to crisis-crying. Instead he dealt with them simply, soberly and realistically, dwelling upon our position in the world, our fiscal situation, and the inseparable relationship between them.

The President laid down, at the outset, a postulate with which no true American can disagree: To be free and stay free, the nation must be strong and must stay strong. And the world threat which makes this girding of strength necessary is both military and economic. The twin problem on which Americans were asked to think is how to gain and maintain the required armed strength and at the same time to preserve economic strength.

The attempt to do both is what confronts the administration with its greatest dilemma, and the speech of the President was a needed explanation of why sound balance can not be achieved as an overnight miracle. It was also an outline of the concessions and adjustments that Mr. Eisenhower considers to be necessary in each in order to accomplish both.

One of these concessions is in the realm of government finances. As much as he desires a balanced budget and as much as the people yearn for a reduction in taxes, these things the President believes must be postponed in the interest of national security. Such a retreat from the promises of the presidential campaign, such a resistance to the demands of a strong element of his party in Congress, is not easy for a politician, and the fact that he unwaveringly placed other considerations ahead of these marks him as being more than a politician.

But however hard it is to stand against the desire of the public and of a strong

segment of Congress, the budget picture reflects the reason for his advocacy of no tax reduction at present. Commitments made by the last administration—largely defense expenditures which can not be cut sharply—must be met. These expenditures will reach their peak in 1954 and 1955, and the immediate loss of tax revenues would add still further to the deficit in a budget which has not yet been brought into balance. Early estimates of revenues from existing taxes seem likely to exceed actual collections. The previous administration made no provision for the continuing Korean war.

All this adds up to a pretty dark fiscal outlook if existing taxes are allowed to expire on schedule, as the excess profits tax is slated to do on June 30. But the picture is not altogether dark. President Eisenhower was able to point to progress toward balancing the budget—a reduction of \$8.5 billion in the Truman budget requests and an actual cut of \$4.5 billion in prospective expenditures for the next fiscal year. He was able to say that economies are being made in government and that there will be a continuing attack upon spending will be made in all federal departments and branches.

At the same time, the people have assurance from one who is an undoubted authority on military requirements that the military program is being planned so as to extract the last cent of defense out of every dollar spent. Its purpose is to build a defense strong enough to discourage aggression, and at a cost that will be bearable throughout what the President termed an "age of peril." To critics of the so-called arms stretch-out he answered that the program is a "calculated risk prudently taken."

The acceptance by the nation of the course recommended by President Eisenhower will depend in great degree upon the popular confidence in him. We believe this confidence is strong, and that it will be enhanced by his frankness in laying the cards on the table.