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# WESTERN UNION

A. N. WILLIAMS  
PRESIDENT

1217

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WASHINGTON, D. C.  
FEBRUARY 28, 1944

FOR VICTORY  
BUY  
WAR BONDS  
TODAY

MR. OTTIS DEVINE  
RADIO STATION WSM  
NASHVILLE, TENNESSEE

WILL MAIL RECORD DAY EARLIER HEREAFTER YESTERDAY'S RECORD ONE OF  
BEST SORRY IT WAS LATE PLANES GROUNDED HERE SATURDAY

ALBERT GORE, M.C.

Official

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# Postal Telegraph

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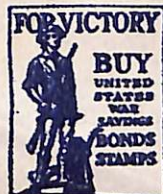
Form 16

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1944 FEB 28 PM 1 07

CONGRESSMAN ALBERT GORE=

HOUSE OF REPRESENTATIVES=



SUNDAY TRANSCRIPTIONS ARRIVING TOO LATE FOR BROADCAST

COULD YOU SHIP THEM DAY EARLIER ADVISE. REGARDS=

OTTIS DEVINE WSM.

WSM.

*Handwritten note:*  
 (circled) — — — — — P.C. '28 x  
 n v n best n r a  
 can n i e x



## TAX BILL VETO

Good Morning, Friends:

A political tornado, the like of which I have not seen before, raged in the Capitol from the time the President's message vetoing the tax bill was read last Tuesday until the veto was finally overridden and the bill became law on Friday. This ferocious tornado shook the very foundations of both political and personal alignments. The hasty, gushing winds of resentment, anger, prejudice, and hate swept a good many off their feet and into the millstream. Others stood fast, though with ~~much~~ great difficulty.

President Roosevelt sent a caustic veto message to the Congress, containing statements both intemperate and injudicious. These expressions, such as the one describing the bill as giving relief "not to the needy but to the greedy," naturally aroused resentment, and justly so. In sending that kind of a message to Congress, I sincerely believe President Roosevelt was in error. Though he may have been strongly opposed to the bill, as <sup>quite a few</sup> ~~some~~ members of Congress were, he, nevertheless, should concede to members of Congress, though they entertained a different opinion, honesty of purpose and sincere convictions.

As soon as the veto message was read, a wave of resentment swept over the Congress. Even Senator Barkley, the Democratic Leader in the Senate who has carried the flag of Roosevelt unfailingly ~~throughout the Presidency~~ throughout President Roosevelt's term and for the last seven years as Majority leader in the Senate, turned upon the President and made a speech bitterly castigating the President. In this speech, the political storm reached its peak. After ~~that~~ <sup>that</sup> ~~Senator Barkley's speech~~, there was no longer any doubt that the veto would be overridden. The President, though he was out of Washington, hastily sent a message



to Senator Barkley, assuring him that he did not intend to question the honesty or integrity of any member of Congress in his message. Senator Barkley answered in a dignified but conciliatory manner.

The veto was overridden in the House of Representatives by a three-to-one majority and in the Senate by a five-to-one majority. Therefore, the tax bill is law, the President's objections notwithstanding. Had the President sent a more tempered veto message, there is little doubt but that his veto would have been sustained easily. Many a Congressman voted to override the veto because he was angered by the President's caustic message. Other members, though equally resentful of the President's intemperate disparagements, nevertheless refused to vote in anger and, therefore, voted for or against passage of the tax bill, <sup>on merit</sup> the President's objections notwithstanding.

Now as to the tax bill itself, there was very little offered in its defense. Nearly all of the speeches made were speeches denouncing President Roosevelt either for vetoing the bill or for the kind of message he sent to Congress. Only in a few instances was there even a weak defense of the bill itself.

Now let us examine the bill. It purported to raise a little over two billion dollars in additional taxes, when the President and the nation's fiscal officers had said it was urgently necessary to raise at least ten and one-half billion dollars in additional revenue. So, viewed realistically, the amount of revenue which the bill raised was far short of the nation's need. We are at the peak of war-time spending. Never before in the history of the world has any



nation ever dreamed of spending <sup>so</sup> much money as we are spending to win this war. And we are not raising enough money by taxes to ~~even~~ <sup>even</sup> pay for <sup>even</sup> half of it as we go. Our debt is accumulating so fast that we can already envision a national debt of three hundred billion dollars. <sup>only</sup> At <sup>only</sup> two per cent interest, the annual interest charge on <sup>such an</sup> ~~this~~ enormous debt would be six billion dollars per year, which is more than the total cost of government only a few years ago.

~~Unless we are careful, we may lose in debt what our soldiers are winning with blood.~~ It seems urgently necessary that every dollar which can safely be taxed <sup>It is high & hard to pay.</sup> should be taxed. I full-well realize that taxes are high. All taxpayers will agree that taxes are high. But it seems that everyone could also agree that those who stay at home should pay as much taxes as possible - that is, that those who stay at home should do all they can to pay for the war and not leave ~~tax~~ the biggest portion of its cost to be paid for after the fellows who are doing the fighting come home. They are doing their share and paying dearly in limb and life. Now some have said that taxes can't be levied any higher, that people can't pay any more taxes. I know better. Of course, we might have to drop some of the peace-time comforts and luxuries, but some people don't even want to do this. The quicker America realizes that the winning of this war and the winning of the <sup>peace</sup> ~~people~~ <sup>is</sup> ~~are~~ going to require sacrifices from everyone, the better off we will be. Now, there is a lot of talk about the post-war problems, and I think they should be considered. There's a lot of talk that we should lead the world in cooperation and peaceful collaboration after the war is won - and I believe in that, too. But our whole future must necessarily be



dependent upon a sound and stable American economy. Just how much debt this nation can carry, I do not propose to know. But who will deny that there is a limit? It's high time all of us were facing the truth. We are spending money enormously in a mad but righteous effort to crush from the earth the forces of evil, the forces of aggression and enslavement which have already crushed freedom from the soil of so many nations and which struck us severely and treacherously at Pearl Harbor on December 7, 1941. We are raising in taxes only a dangerously small portion of the <sup>total</sup> money, ~~we are spending~~. What the government is not collecting in taxes, it is having to borrow largely from the nation's banking system, thus increasing not only the dangers of inflation but piling public debt sky high. We can not safely allow this to continue. We must pay and pay and pay, not only to win the war but to keep our American system safe in the peace to follow. This is not only necessary for the safety of our system, but it is eminently fair for those who stay at home with a national income far higher than at any time in our history, to do all they can to pay for the war while more than ten million young men are fighting as hard as they can to win. *Unless we are careful, we may lose in debt what we are winning in blood.* it. So, from the standpoint of a revenue raising measure, the tax bill, which the President vetoed, was woefully inadequate.

But this wasn't all the tax bill contained. In fact, the reason some <sup>of our</sup> people <sup>are</sup> were so strongly urging passage of the bill was not because of the revenue it would raise, but because of some of these other features. For instance, it repealed outright the Renegotiation Law at the end of this year, provided that the President could extend it for six months. Now why should we pass a bill now



repealing the Renegotiation law as of the end of this year? How do we know that the Renegotiation law will not longer be needed? Why not wait until the end of this year and then examine the need for renegotiation? Moreover, the bill raised the limit below which a war contract could not be renegotiated under any circumstances from one hundred thousand dollars to five hundred thousand dollars. Why was the Renegotiation law ever passed? Well, here is the reason. When we were knocked to our knees at Pearl Harbor and were suddenly at war with not only Japan but with Germany and Italy and their satellites as well, it became imperative for us to ~~put~~ put every facility to work. We could not wait to get accurate estimates of how much an anti-aircraft gun would cost and, therefore, how much we should pay a gun manufacturing plant for making these weapons. The first thing we had to do was to start making them. Contracts were made very hastily, and a ~~studious~~ <sup>determined</sup> effort was made to put every plant into production. Many, many implements of war were needed. We could not safely rely, as in normal times, upon competitive bidding. In the first place, the war contractors didn't know how to bid. In the second place, <sup>the Govt</sup> we did not know, in many cases, what would be a reasonable bid; and in the third place, there were just not enough war contractors and firms to give much competition to bidding. In fact, the government itself went out and built billions of dollars worth of war plant facilities and turned them over to private contractors to operate. Out of this rush, out of this determination of America to defend herself, came enormous profits. They were inevitable. They could not be avoided. So, Congress



passed a law giving the government the authority to re-open these contracts and renegotiate a basis for <sup>price</sup> payment and ~~settlement~~ of the contract. In other

words, we raised this barrier ~~in~~ to prevent the making of a big new crop of

millionaires out of World War II. <sup>By</sup> ~~But~~ this renegotiation law, the government

has recaptured over six billion dollars in excess war profits. Why, then, should

we come along now and say that <sup>the war & navy department</sup> ~~you~~ can't renegotiate any contract unless it's

as much as five hundred thousand dollars. I don't think we should. And I

think there is even less justification for repealing the whole law itself as of

the end of this year. Now if we had any assurance that the war would be over

by the end of this year, <sup>it might be alright.</sup> ~~then fine.~~ But we have no <sup>such</sup> assurance ~~of that.~~ So why

not ~~we~~ wait until the law needs to be repealed and then repeal it.

*Another thing,*

~~Then~~ the bill prevented the scheduled increase in social security payroll taxes. This tends to undermine the whole contributory system of the social

security program. When the social security law was passed, it was contemplated

that deductions from payrolls would be gradually indreased so that it would not

be a disruptive economic shock to either the nation's employers or employees.

When have both employers and employees been better able to absorb an increased

payroll tax than now? <sup>never</sup> But that is not the most important objection to this

freezing of the social security tax rate. The government is incurring gigantic

liabilities. In other words, the nations wage earners are daily <sup>building</sup> ~~bringing~~ their

claims for <sup>large</sup> ~~an~~ old-age retirement pensions. By freezing the social security tax

rate, we are not freezing this liability to pay <sup>these large</sup> ~~an expansive~~ retirement pension

program. Under the social security law, it was contemplated that this would



operate more or less like an insurance system. Payroll taxes would be levied in an amount sufficient to make the social security program more or less self-liquidating - make it pay for itself, so to speak. ~~So~~ What are ~~we~~ we doing when we refuse to let the social security taxes go into effect? Here's what we are doing. We are stopping the payment by those who will particularly benefit from it and transferring <sup>the load</sup> ~~it~~ to the general tax payer who may or may not benefit from it.

So, as I see it, the President was eminently correct in vetoing the tax bill. And had he sent to Congress a tempered message, logically stating his fundamental objections, his veto would have been sustained undoubtedly. But there was so much resentment over the message, fired by Senator Barkley's bitter denunciation, that the tax bill, regardless of its virtually undefended defects, was enacted into law over the President's veto overwhelmingly. As a result of this political tornado, the President's prestige at home, and I fear abroad, suffered. These are the temporary results. What the long-time affect will be is anybody's guess. This is not the first time that a presidential veto has been overridden. This is not the first time that he has been denounced in Congress. He has shown a remarkable come-back capacity. This is the first time, though, that his majority leader in the Senate has broken with him so dramatically and forcefully. But the guess is here in Washington that before very long Senator Barkley will again be carrying the Roosevelt flag. Now if as a result of this there comes a better spirit of cooperation between the executive and the legislative branches, it may be worth while despite its disruptive and <sup>disrupting</sup> influences in the midst of a war. Congress has all too often been used



as a whipping boy. The judgment and opinions of the people's representatives, have all too often been not only minimized and disregarded but scorned. Perhaps this kind of a political storm and crisis could take place in ~~possibly~~ no other nation, and still leave intact sufficient cooperation, determination and confidence to be "on with the war; march uninterruptedly to victory."