

WSM

REPRESENTATIVE ALBERT GORE
January 16, 1949

Good Morning, Friends:

The federal budget is once again, as every year it is, a bone of contention in Washington. This year it is once again the biggest peacetime budget in history. President Truman has recommended the appropriation of ~~one~~ forty-nine billion, nine hundred million for the fiscal year which begins next July 1. The details and explanation of how this much money will be ^{large} spent is contained in a book called the Budget which has far more pages ^{Montgomery Ward} than a ~~large~~ mail order catalog. It explains the needs and amounts recommended for ^{many, many} ~~sundry~~ things from planes and ships ~~to~~ ^{for} fly the skylanes and sail ⁱⁿ the seas of the world-to highways, ~~and~~ bridges, dams, public health, education and insect control as well as submarine and mining spectors to go beneath the surface of earth and sea.

~~the~~ ~~President's~~ ~~expenditures~~ ~~unless~~ ~~we~~ ~~exceed~~ ~~the~~ ~~expenses~~ ~~in~~ ~~the~~ ~~budget~~ ~~of~~ ~~the~~ ~~Government~~

These are
The President has recommended astronomical figures, indeed. These They appropriations will call for the most careful scrutiny to avert all possible waste and extravagance, but, by and large, this is the price we must pay for our security, our freedom and our continued prosperity in a world which has changed its political map and power relationships and in an era characterized by a continuation of what is commonly known as the cold war. Nearly sixteen billion dollars the President has recommended for national defense, and for foreign aid and recovery nearly seven billion. ^{more} These two items alone comprise more than one-half the total expenditures

recommended by the budget.

In addition to this, the President estimates that another billion may be needed for military aid to Western Europe and other countries to be bound together in the proposed North Atlantic Alliance. Still two other huge ~~xx~~ sums ~~that~~ represent a further payment on the price of World War II -- over five billion dollars for interest on government bonds, and nearly eight billion dollars for the veterans program.

So, no matter how determined one may be to effect every possible economy in public expenditures, he must feel a little discouraged when these huge sums, comprising ~~by all odds~~ the bulk of the budget, are found necessary for such vital purposes.

Nevertheless, unless we are to go deeper into debt, Congress faces the necessity of either reducing the expenditure side of the budget or increasing the revenue side by raising taxes. President Truman having recommended expenditures of forty-nine billion, nine hundred million and ~~maxim~~ having estimated revenue next year at current tax rates at forty-one billion, recommends that Congress increase taxes by four billion dollars; thereby, to provide sufficient money to meet the cost of government and to make a substantial payment upon our war debt.

Undoubtedly, taxpayers would like to see appropriations reduced and of course, that is the first reaction of ~~most~~ Members of Congress; but Republicans and Democrats alike find it very hard to make material reductions in the budget, even in purely domestic expenditures.

President Truman did some heavy cutting himself, for instance,

he cut out funds for 24 veterans hospitals, two of which, incidently, were planned for Tennessee, one in Chattanooga and one in Memphis. I am sure you can imagine how a Congressman would feel about cutting down an appropriations for a large hospital in his home town, District or State. This is to say that economy is something to practice on the other fellow or the other fellow's project.

Now that the President has cut out twenty four veterans hospitals I wonder if you would expect Congress to follow the example and cut out 24 more or would you think it more likely that some of the 24 the President has cut out would be restored. Well, we shall see.

The Appropriations Committee of the House and Senate will soon start sinking their teeth into this huge budget, and we shall see. As a Member of the House Appropriations Committee, I expect to vote to cut but all of the waste and extravagance possible. I have long since learned, though, that small cuts here and there do not in the end amount to very large sums.

Now what about the tax side of the budget. Well, taxes are already high. Here is one Congressman that no one need tell that to for I have been calculating my own taxes, at odd times, for the past few nights. Yes, Siree, taxes are high and plenty high and hard to pay. But one resolution I have and that is that ~~I will not tax for sufficient to pay the debt~~ during this period of prosperity and maximum employment I will vote for taxes sufficient to pay for the cost of government and at the same time make a substantial payment upon our public debt.

Now, in case we are not able to reduce ~~that~~ budget materially, that

means I will have to vote for increased taxes. Well, what kind of taxes?

What
does the President have in mind? Well, I gathered from his message that

he pretty generally had in mind restoration of the tax burden to those

most able to pay of which they were relieved by the Republican tax

What about raising taxes on low income?
measure passed over his veto last year. Well, one cannot get blood out

of a turnip and I do not think we should even try. ~~We~~

+ equitable
The only really fair yardstick I have ever found with which to

plus
measure an equitable and fair manner of levying taxes is this taxation

according to ability to pay. A great American and a great Tennessean,

the Honorable Cordell Hull, was author of the provision which made that

principle of taxation an integral part of our system. I do not know how

this nation as a whole could have prospered so well without it. We have

too much concentration of wealth in a few families and corporations as

it is, far too much; but had it not been made possible to tax, back in

1914, I believe it was, according to their ability to pay, then the

concentration of wealth would have been even more pronounced than it

now is.

Well, one of Mr. Hull's proteges, the Hon. Dean Acheson, who has been designated by the President as Secretary of State succeeding

General Marshall, went before the Senate Foreign Relations Committee

for critical questioning, but, as I predicted to you last Sunday morning

on this program, he demeaned himself with credit, showing ability,

restraint and understanding. So it now appears that he will be confirmed

by the United States Senate without question.

Just why he should have ~~been~~ even been accused of being an appeaser,
I do not know. Almost exactly two years ago now/when Mr. Acheson was Under
Secretary of State, I invited him to a meeting of freshmen Members of
Congress to give them an off-the-record discussion of American foreign
policy and its problems. Speaker Rayburn, Democratic Leader John McCormack
and about 30 of the new members of Congress were present. At that meeting
Mr. Acheson gave a most penetrating analysis of not only the designs and
ambitions but the policies and methods of the Soviet Union. He replied
forthrightly
to all questions ~~forthrightly~~ and ably. I consider it one of the most
enlightening and confidence inspiring evenings of my career here in
Washington. His performance that night was no surprise to me because
I had known him before and like it, his very fine appearance before the
Senate Committee during the week comes as no surprise.