Gasoline Tax
April , 1961

Dear :

I wish the whole problem of the highway program was as simple as the question of continuing or not continuing the fuel tax which was supposed to expire on June 30, 1961.

For various reasons, including increased costs, the highway program is definitely in trouble. One of several courses can therefore be pursued. It can be stretched out so that it will conform with available funds, including the expiration of the increased one cent gasoline tax on June 30. It can be cut back to conform to the funds which would be available for expenditure. Finally, the estimated completion date can be maintained and if this last course is pursued it will obviously mean that there must be additional funds.

The necessary revenues could be made available from two sources. One would be to continue the present tax and add certain other taxes on tires and rubber to generate the amount of money needed for completion of the program. The other source of revenue would be to divert general revenues from the Treasury as was proposed on an earlier occasion. This, of course, would mean a much larger budget deficit than that which we already foresee.

Last year and the year before I resisted all efforts to extract money from general revenues because the program in the first instance was launched on the basis of a self-contained program to be financed from specific trust funds made available through the taxes which were then proposed. The program should carry itself, and whether this can be done by certain modifications remains to be seen.

I believe, in its simplest terms, the question is whether we carry out the highway program as planned. If so, then funds from one source or another must be developed to carry out this program.

Sincerely,

Everett McKinley Dirksen
January 6, 1961

Mr. Robert N. Peart
6 Penn Court
Urbana, Illinois

Dear Mr. Peart:

Thank you for your refreshing letter. I like to think that a great majority of our citizens have similar views regarding this gasoline tax but it seems that only those who are violently opposed to it take the trouble to write their representatives, without considering just how these road building expenditures are to be paid for. This will have good attention.

Sincerely

Everett McKinley Dirksen