Dear --:

I have noted your views on the budgetary and taxation policies of this administration and at the risk of over-simplification, I still believe that the question of continuing the present level of taxes or reducing that level is a simple one of Federal expenditure. Obviously revenues must be adequate to meet this level if we hope to maintain a balanced budget and keep inflationary forces under control but to do so requires that those functions involving increased expenditures which are sometimes demanded by people and various groups in the country must be resisted if this balance of revenues and expenditures is to be kept in check.

I presume that I have given more attention to the problem of taxes and the factors which affect it than any other problem and this attention will be emphasized even more this year.

Your interest is appreciated and you can be certain we will seek to assure that any tax reduction which may be approved shall be accompanied by a reduction in federal spending.

Sincerely,

Everett McKinley Dirksen
February 7, 1963

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Dear ----------:

The enclosure has reference to the President's budget and is sent to you in answer to your recent correspondence regarding this important matter.

Sincerely,

Everett McKinley Dirksen  

Enclosure
THE DEFICIT BUDGET

Mr. DIRKSEN. Mr. President, when I first saw the budget which this administration sent to the Congress a few days ago I was reminded of some words of one of our great American Presidents who came from what we shall now have to call the Old Frontier at a time when the traditions and ideals of this Nation were still being formed. He came from a people whose hard work and sacrifice—yes, I use the word “sacrifice” because it is not a new idea in this country—have given us the plenty which we have today. It was 100 years ago, in 1863, that Abraham Lincoln said the question was whether this Nation or any nation so conceived and so dedicated could long endure.

Those words have been coming back to me with ever-increasing frequency in the past few days because the budget presented by this administration is really a test of whether this Nation or any nation with such a budget can long endure. With a budget of almost $100 billion and an estimated deficit of over $11 billion, it means that $1 out of every $9 in the budget is a debt dollar. How many of us, or, indeed, how many nations, could long endure if $1 out of every $9 which we spent was a debt dollar? And this great deficit is in the face of the reassurances given to us by this administration and by the President in his state of the Union message that “at home the recession is behind us” and “now, when the inflationary pressures of the war and postwar years no longer threaten—now, when no military crisis strains our resources.” How can a nation which has its recession behind it, at a time when no military crisis drains its resources, long endure if it plunges headlong into such a vast deficit budget?

Perhaps I am still too close to that homespun economic view. But I find it difficult to envision the need, at a time when we are not faced with crisis as the President said in the state of the Union message, to plunge headlong into deficit spending without first taking a look at the pictures we have on the wall to see whether they might not be used instead of adding a further mortgage on our future and on our children’s future. As I thought about the possibility I was reminded of a bill which I introduced in the Congress 22 years ago this month. It was given the number H.R. 2089 and it was referred to the Committee on Banking and Currency. In essence the bill provided that the Government should liquidate the portfolio of the Home Owners Loan Corporation as rapidly as possible consistent with affording full protection to the borrowers on their loans, by selling those loans to banks and other buyers and putting the cash from the sale in the public till.

In those days we did not have as many pictures on the wall as we do today. Now the safety deposit boxes of the Government are crammed full of obligations of every type on which the Government has loaned money. With all of those Government assets in the box, are the Government bonds on which this Government has loaned money? In order to provide the necessary coordination between the various agencies of the Government in such sales I have provided that the sale shall be consistent with the recommendations of a committee, appointed by the President, having the Secretary of the Treasury as its Chairman.

I hope that this bill will receive the earnest consideration of the administration and the Congress as a means by which we may reduce the Government need to plunge further into debt. In this connection I note that in his Economic Report, transmitted to the Congress this week, the President made reference to the work of an interagency committee which he had appointed to review the appropriate role of Federal lending and credit guarantee programs, and I hope it was that work which led to the statement of the President in his budget message that there would, or should, be a decrease in he budget expenditures “for certain housing, international, and other lending programs, through substitution of private for public credit.” If this is a step, it is a step in the right direction.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 604) to require that Government agencies holding certain obligations offer such obligations for public sale to the extent practicable, introduced by Mr. DIAMOND, was received, read twice by its title, and referred to the Committee on Banking and Currency.

Vol. 109 WASHINGTON, THURSDAY, JANUARY 31, 1963 No. 16

Senate
Budget and Tax reform

March 18, 1963

Dear:

A preliminary analysis of the President's tax message discloses some rather amazing things and I presume other astonishing effects and results of the many proposals submitted will come to light as more careful analysis of this proposal is undertaken. You can be certain indeed that as it moves through the committee stages every item in it will have the most careful scrutiny.

The enclosed statement relating to the budget may be of interest to you.

Sincerely,

Everett McKinley Dirksen

encl.
June 11, 1963

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Dear ---:

There is but one solution to the problem of balancing the budget and that is to cut the garment to fit the cloth. Federal spending must be kept within available revenue and in the painful cutting process there must be one simple and inflexible principle of putting first things first in measuring spending proposals against the national interest.

With this in mind I have co-sponsored a bill, S.1093, which seeks to establish a federal policy concerning the termination, limitation, or establishment of business-type operations of the Government which may be conducted in competition with private enterprise.

In addition, with respect to the appropriations bill for the fiscal year 1964, I have sought to have them all sent back to Committee and to be re-reported to the Senate at the 1963 figure. Thus far I have not succeeded but shall continue my efforts.

Sincerely,

Everett McKinley Dirksen