

MINNESOTA RADIO TAPE OF JANUARY 28, 1963

FOR BROADCAST WEEK BEGINNING FEBRUARY 4

Ladies and gentlemen and fellow-Minnesotans---

This is your Senator, Hubert H. Humphrey, reporting to you
from my office in Washington, D.C.

The other day I received a letter from a Minnesota woman who had read
and heard about the President's proposals for a tax cut.

This woman had some questions to ask, and she asked them in a tough way.

First, she wanted to know---and I quote from her letter---"Why is the
government spending the taxpayers money so carelessly?"

And then she asked, quote: "How can the President and you, Senator
Humphrey, ask for a tax cut when we still have such a big deficit in the
budget?"

And, finally, she wanted to know---and here is her last question: "Why
doesn't the government cut this year's budget before we start talking about

way to reduce the federal budget deficit. A tax cut can be expected to stimulate purchasing power, to create new demands for goods and services, to increase production and ultimately to reduce unemployment. Dr. Walter Heller, the chief Economic Adviser to the President, has reported that such steps could add 30 to 40 billion dollars to our gross national product a year—enough to reduce the federal deficit within a few years.

Finally, a tax cut can be made before there is any substantial reduction in the Federal budget. The new thrust to the economy which can come from a tax cut will increase the overall tax revenues to the government. And my basic answer to the question: "Why don't we reduce federal spending?" is to ask: "Where do you want to reduce Federal spending?"

Today, more than 80 per cent of the total annual budget goes to pay the costs of defense ^(SPACE PROGRAMS) and the costs of past wars, through interest on the deficit

^(and) veterans affairs, etc. I do not think any American today is willing to cut our defense or space programs. And if there is to be any cut in the other services of the government, let the budget critics make their specific suggestions for cuts. The President and the Congress are ready to listen. A

a tax cut?"

I want to spend a few moments answering these questions.

First, the government does not spend revenues from taxpayers "carelessly." I am a member of the Senate Appropriations Committee, and I know that every dollar spent by your government is appropriated prudently and only after a careful decision is reached that the expenditure is in the National interest.

Some of our people may think that government funds can be spent by a simple, quick decision by one man---the President. Nothing ~~is farther~~ is farther from the truth. Every expenditure of Federal funds must go through careful screening by the Bureau of the Budget, by the President, by the related Federal department, by the Senate Appropriations Committee, by the House Appropriations Committee, by the full Congress. This is a careful and long process. It is not careless.

Second, the President asks for a tax cut, in part, because his best advisers and the top fiscal experts on hand believe that a tax cut is one



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