

MINNESOTA RADIO TAPE OF OCTOBER 8, 1963

FOR BROADCAST WEEK BEGINNING OCTOBER 13

Ladies and gentlemen---

'This is Senator Hubert Humphrey, reporting to you
from my office on Capitol Hill, in Washington, D.C.....

More than a year ago, I urged a substantial reduction in taxes
as one vital step to reduce unemployment and strengthen the Nation's
economic health. Today, I am as determined as ever that a tax cut
is imperative.

The Administration's tax program, introduced in Congress earlier
this year, was approved by the House of Representatives last month.
It now stands as one of the top priority items to be acted on by the
Senate.

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Here is what the Administration's tax program, as approved by the House of Representatives, would do:

It would reduce taxes on individuals and ^Rcorporations a total of \$11.1 billion.

The range of individual income taxes would be reduced from the present low of 20 per cent and high of 91 per cent to a new low of 14 per cent and a new high of 65 per cent.

The maximum corporate tax would be reduced from 52 per cent to 47 per cent.

Individuals earning up to \$3,000 a year would pay 39 per cent less in taxes than under the old rates.

The biggest share of the total reduction of ~~household~~ taxes--- 44 per cent---would go to those who earn between \$5,000 and \$10,000 a year.

Two thirds of the tax reduction will go into effect next January

1. The remainder would go into effect on January 1, 1965.

(more)

The program also calls for a number of specific tax reforms, which would reduce the loss of revenue resulting from the tax reductions under the program.

The Administration's tax reduction program has overwhelming support throughout the country. The vote for it in the House of Representatives, for example, was 271 to 155. Such diverse groups as the national Chamber of Commerce and the AFL-CIO support the tax cut. My own mail, I might add, is now running heavily in favor of the program.

Why is tax reduction needed?

The essential reason is that this Nation still has more than five million men and women unemployed. This is a personal tragedy for each of those jobless citizens, but our unemployment rate also is proof that the economy is not growing and expanding fast enough to achieve and maintain full employment and full use of our plant capacity.

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Almost every expert economist agrees that our existing tax structure has acted as a drag on our economy---discouraging investment and checking purchasing power.

This \$11 billion tax cut program means that \$11 billion will be freed to go to work in our economy---to boost purchasing power, to increase production, to create new jobs and ultimately to strengthen our Nation with a more sound economic base.



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