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Statement of Senator Mike Mansfield (D., Montana)

January 23, 1959

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BUDGET

Mr. President:

Just about a year ago, we had before us another budget. I am sure the Administration would like to forget about that budget. I do not see, however, how the Senate can forget about it. It has a great deal of relevance to this budget--the Administration's proposed budget for the coming fiscal year, which is now before us.

Last year's budget, Mr. President, was the work of the same Administration which has presented this one. That Administration is not composed of "wild-eyed spenders." No. It is composed of conservative, responsible Republicans. Last year, over the President's signature, these conservative, responsible Republicans sent us, not a deficit budget, not a balanced budget but a surplus budget. The United States government, they pontificated, would take in \$74.4 billions and expend \$73.9 billions. That means, they said, a surplus of \$500 million. Well, Mr. President, it is obvious that the difference between \$74.4 billion and \$73.9 billion is \$500 million. What is not obvious is what happened to it? Where is the \$500 million surplus which these conservative, responsible Republicans of the Administration promised us? It disappeared. It disappeared in a deficit of \$12.9 billion dollars--the highest, most-inflationary, budgetary deficit in peace-time in the history of the nation. The Administration looked under the bed and in the closets for the surplus but all it could

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find was a deficit, a vast deficit. Somebody made a switch. Who did it? Even in their most partisan tirades during the last election, Mr. President, Administrative spokesmen could not bring themselves to put the responsibility for the deficit on the Congress. They could only raise a hue and cry against "wild-eyed spenders" who might cause deficits in the future. But who is to blame for the present deficit?

Some Republicans put the blame on the recession--which cut estimated revenues. Now, Mr. President, a recession is not an act of God. It is not a flood. It is not a draught. It is a consequence of the acts or inaction of men. In this country, it is largely the consequence of the acts or inaction of the Administration, particularly when that Administration has a Congress which is willing to respond to any responsible requests to prevent one, as the last Congress was. What happened last year, Mr. President? Did this Administration ask for Congressional action when the signs of recession began to appear? No, it spoke instead of healthy readjustments or rolling readjustments or something of that kind. Last year it took weeks of reiteration on the floor of the Senate and House to bring the Administration to the point where it would even recognize that there was a recession and it was not going to be smiled or whistled away. It took pleading, prodding and pushing from the Congress to get the leadership to act on that fact.

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By the time the Administration was persuaded, tens of billions of dollars of production and billions of dollars of wages and income had already been lost in industrial shut-downs. And, hence, billions were lost in revenue. That was where the surplus disappeared, and that was where most of the deficit came from. It came from shut-down factories and idled hands. The blow dealt to the budget by the recession of 1957-58 was great and the blow to human beings was even greater.

But does a Republican Administration ever learn, Mr. President? No, the Administration says wages are too high. The Administration says, watch out for the "wild-eyed spenders." Do members of this body think their wages are too high? Well, most Americans are earning considerably less. Moreover, I look around this Chamber and I see no "wild-eyed spenders" who produced the deficit in last year's budget. If I overlook one, I should be glad to yield for the purpose of having him pointed out.

I should not have referred to the past, Mr. President, if the manner in which this year's budget has been presented did not suggest that Republican Administrations, in fact, never do learn. Once again the political budgeteers have gone to work. Once again we are promised a surplus budget--this time not \$500 million but \$570 million--at a level of \$77 billion in expenditures. The whole tricky business is presented with the stern admonition that it is "up to Congress." Now just what does that mean, Mr. President? What is it that is "up to Congress?" Is it up

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to Congress to increase this budget? Is it up to Congress to cut it? Is it up to Congress both to increase and to decrease it? Or does it mean, Mr. President, that if we run another deficit of \$10 or \$12 billion, Congress will be responsible even if it does not alter a single figure.

There is more in this procedure than the customary Administration obsession with balanced budget, which somehow it has rarely managed to balance. This procedure of "it is up to Congress" is a formula for the evasion of responsibility. It is political budgeteering of the worst kind. If the Administration believes in this budget of \$77 billion then why doesn't it say so? If it does not then why has it been presented in this form at all?

Lest there be any doubt about the political nature of this presentation, I remind the Senate of the hints with which it is decorated, hints of a possible tax cut next year, an election year. But in this budget, taxes are not cut; they are increased. What kinds of taxes? Taxes on the higher brackets of the income tax? A closing up of the holes which have so turned these brackets into a sieve that evasion by inflated deductions and allowances now borders on a national disgrace? No, Mr. President, not that; that area is sacrosanct to this wealthy man's administration. No, the increases in taxes in this budget are directed at first class postal rates. If we accept this budget as it is we shall be compelled to increase the postage rates on a letter from four cents to five. Does the budget call for an increase on the rates of junk

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mail, that flood of advertising that fills our mailboxes! No, Mr. President, that area, too, is sacrosanct, to this advertising man's administration.

Not only postage rates are increased, Mr. President, but the sales tax on gasoline will also go up under this budget. Still, this Administration says it is "up to Congress." Perhaps that is right. If this Administration is determined to evade its responsibilities, there may be no other way than through Congress to try to put some sense into the budget; to get a little more equity into the tax structure, to direct the attention of this callous Administration to the human needs of the people of this country, to their needs in education, in housing, in the relief of depressed areas and in other fields which affect the well-being of millions of Americans. We cannot run the finances of the government of the United States from the floor of the Senate. But at least we can try to see to it that they are run with a little less political hucksterism and budgeteering chicanery, with a little more attention to the real needs of the people of the United States.